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JOHN HUANG AT COMMERCE

Throughout the Committee's investigation, John Huang has persisted as one of the most central figures in the campaign finance scandal. Huang's involvement was evident from the earliest inkling that there was systematic illegality in the way the DNC raised money during the 1996 election cycle. The first sign was a *Los Angeles Times* story about an illegal \$250,000 contribution to the DNC from Cheong Am America. Mr. Huang raised that money. Huang proved to be a prodigious fund-raiser for the DNC in 1996, bringing in \$3.4 million to DNC coffers. Nearly half of that amount has been returned to date, and there are serious questions about much of the balance not returned.¹

Huang is linked through his fund-raising activities to many other important figures in the scandal, including Maria Hsia, Ted Sioeng, Charlie Trie, Mark Middleton, Pauline Kanchanalak, Antonio Pan, and Huang's patrons and former employers, the Riadys. Before he went to the DNC, Huang worked as a political appointee at the Department of Commerce. The press has written often about Huang's activities at Commerce, including how he got a job there, what security clearances he held, what classified or other sensitive information he had access to in the course of his employment, whether he leaked or mishandled any such information, and whether he engaged in political fund-raising there.

In an effort to address questions regarding Huang's activities at Commerce, the Committee held hearings on July 16 and 17, 1997. The hearings were the culmination of intense investigative work performed by Committee staff, which conducted dozens of interviews and

¹ See, for example, the report section regarding DNC contributions raised by Huang from Ted Sioeng, Sioeng's family, and his businesses, totaling \$400,000. The DNC has not returned these contributions.

depositions and reviewed hundreds of thousands of documents in connection with this phase of the hearings. Although its work was complicated by Huang's refusal to cooperate, the Committee received excellent cooperation from the Commerce Department. The Department appears to have undertaken a diligent and thorough search for materials responsive to the Committee's subpoena. The Department also made employees readily available for interviews and depositions.² For the most part, the Committee's dealings with Commerce were free of the problems encountered with the White House and the DNC.³

What emerges from the Committee's investigation is a picture of Huang both complex and vexing, which raises as many questions as it answers. He was a valuable fundraiser for the 1992 and 1996 Clinton campaigns and a "must hire" candidate who knew President Clinton personally, yet he obtained only a mid-level appointment in the Administration. Despite his modest position and the fact that he was purposely excluded from any real policy work at Commerce, Huang received classified intelligence briefings, and he appears to have met often with high ranking White House officials, including, on occasion, the President himself. In addition, he met with various Chinese diplomatic officials with some frequency, even though he was suppose to be "walled off" from substantive China policy at Commerce.

While at Commerce, Huang maintained constant contact with representatives of his former employer the Lippo Group, and his patrons, the Riadys, and was often in contact with other

² The Committee notes in particular the efforts of Kent Hughes, Associate Deputy Secretary of Commerce, and Susan Truax, Office of General Counsel, in accommodating the Committee's many requests for information.

³ Other sections of this report detail the Committee's frustrating dealings with the White House and DNC.

leading figures in the campaign finance scandal. It seems clear that he engaged in political fund-raising in violation of the Hatch Act, working closely with DNC officials to do so. The illegality of his fund-raising was compounded by the fact that at least some of the money Huang raised while at Commerce was foreign.

I. Huang's Appointment to Commerce

On his way from Lippo to the DNC, Huang made an eighteen-month stopover at the Department of Commerce. The Committee examined the circumstances surrounding Huang's arrival at Commerce, seeking answers to two principal questions in that regard: How did Huang secure an appointment in the Clinton administration, and why at Commerce? The Committee found only partial answers to each.

Huang was a prominent Democratic fundraiser and activist in the Asian-American community during the 1992 election. His efforts were focused largely in California. Through them, Huang forged significant ties to the DNC and other Democratic groups; ties he would rely on later for help in securing an appointment with the Clinton administration.

Before joining Commerce, Huang was employed by the Lippo Bank. Located in Los Angeles, the Lippo Bank is a wholly-owned subsidiary of the Riady-controlled Lippo Group, which is based in Jakarta, Indonesia. At the Lippo Bank, Huang participated in many fund-raising activities, both independently and on behalf of the Riady family. For example Huang, together with Maeley Tom, formed the Asia/Pacific Leadership Council, a political fund-raising group that raised thousands of dollars for the Clinton/Gore campaign.⁴ Although the extent to which

⁴ Maeley Tom, who, like Huang, is Chinese by birth, has spent two decades in Democratic politics in Sacramento, California. She served as a part-time consultant for the Lippo Bank while John Huang worked there. In 1994, Tom was an active fund-raiser in the

Huang's fund-raising activities facilitated his appointment to Commerce is not clear, it is certain that they played a role.

After the 1992 election, Huang became interested in a position with the Clinton administration. His name first came to the attention of the White House Priority Placement Office in 1992 when he was placed on a "must-consider" list compiled by the DNC.⁵ Michael Whouley, who received the "must consider" list, was the head of White House Priority Placement at the time, and it was Whouley's job to sort through various candidates who received particularly strong support, and to determine which of these candidates would then be considered a priority for the administration.⁶ Huang was placed on this list as a "must-consider" candidate for several positions, including "Under or Assistant Secretary for International Affairs" at the Department of Treasury, "Undersecretary for International Trade" at the Department of Commerce, and a "sub-cabinet" position at the Department of State.⁷ Huang's resume was also submitted to the White House Personnel Office.⁸

Over the course of the next few months, several letters were submitted on Huang's behalf. These letters included recommendations from Senators Paul Simon, Tom Daschle, and Kent

Asian-American community in California and a contributor to the Democratic party.

⁵ Interoffice Memorandum from Paul Carey and Rick Lerner to Michael Whouley, December 21, 1992, pp. 5, 11 (Ex. 1).

⁶ Testimony of Gary Christopherson, July 16, 1996, p. 14.

⁷ *Id.*

⁸ Resume of John Huang, undated (Ex. 2).

Conrad, California State Treasurer Kathleen Brown,⁹ and lobbyist and Asian-American fundraiser Maeley Tom.

Maeley Tom's letter, written to Deputy Director of Presidential Personnel John Emerson, is remarkable in the way it touts several Asian-Pacific Americans ("APA") for administration positions.¹⁰ In her letter, Tom adopts a very personal, emotive tone in imploring Emerson and the administration to "use this window of opportunity to cultivate (recruit) [the APA] community's loyalty by demonstrating that the true party of inclusion is the Democratic Party," and, more specifically, by appointing those Tom recommended.¹¹ Although the recommendations were clearly hers and, purportedly, those of the APA community, Tom wrote on the stationery of her boss, David Roberti, President Pro Tempore of the California State Senate.

Tom's letter is heavily salted with references to political fund-raising and Democratic party-building efforts. Her recommendation of Huang relies mainly on Huang's connection to the Riadys, major Democratic donors. Tom's letter characterized Huang as "the political power that advises the Riady Family on issues and where to make contributions."¹² She wrote, "[The Riady's] invested heavily in the Clinton campaign. John is the Riady Family's top priority for

⁹ Letters of recommendation for John Huang, December 1992-February 1993 (Ex. 3).

¹⁰ Letter from Maeley Tom to John Emerson, Feb. 17, 1993 (Ex. 4). Two versions of Tom's letter to Deputy Director of Presidential Personnel John Emerson were produced to the Committee by the White House. The first version is heavily redacted and bears a handwritten notation on the cover page indicating it was copied to Bruce Lindsey who was then Director of Presidential Personnel at the White House. The cover page of the second version contains a different handwritten notation -- "Asian Appointments." Otherwise, the two versions appear identical.

¹¹ *Id.* at p. 1.

¹² *Id.* at p. 6.

placement because he is like one of their own. The family knows the Clintons on a first-name basis”¹³

After being labeled “high priority” by the White House Priority Placement office, Huang’s file was sent over to the Personnel office and placed in a job bank.¹⁴ Here, Huang’s application foundered for several months, until his name eventually came to the attention of Gary Christopherson, who served as the Associate Director of the White House Office of Presidential Personnel from May 1993 to September 1994.¹⁵ It was Christopherson’s responsibility to recruit candidates for the administration, and then match people with positions.¹⁶

According to Christopherson, Huang was raised as a “high priority placement” candidate by various members of the Asian-American community.¹⁷ The Asian Outreach section¹⁸ within the Personnel Office also weighed in on Huang and advocated his placement because it would represent an “important symbol to the Asian community.”¹⁹

¹³ *Id.*

¹⁴ Deposition of Gary A. Christopherson, June 4, 1997, pp. 25-26.

¹⁵ *Id.* at p. 14.

¹⁶ *Id.* at p. 12.

¹⁷ *Id.* at p. 41.

¹⁸ Christopherson testified in his deposition that the White House Personnel Office had “outreach” groups advising the staff and providing them with names of candidates for administration jobs. Huang was identified by the Asian Outreach group as a priority. This group included Maria Haley, Martha Watanabe, Melinda Yee and Ginger Lew. (*Id.* at p. 40).

¹⁹ Christopherson testimony, p. 8.

Huang was on the priority list for a “good period of time.”²⁰ White House Personnel was having difficulty in placing Huang in an appropriate position because Huang was considered lacking in the necessary qualifications for higher level posts.²¹ When the Deputy Assistant Secretary position at the Department of Commerce became available, Christopherson felt that he had finally found an acceptable match.²²

Christopherson drafted a “decision memo” recommending Huang for an appointment as Principal Deputy Assistant Secretary for International Economic Policy.²³ This recommendation was sent to Bruce Lindsey for final review.²⁴ Christopherson’s memorandum to Lindsey stated, among other things, that “John Huang has been a major Democratic supporter and expert in banking policy. He was extremely active in the Clinton/Gore campaign”²⁵ In addition, the letter noted that Huang had been recommended by Senators Paul Simon and Kent Conrad, and Maria Haley.

Christopherson remembered speaking to someone at the Commerce Department regarding Huang’s placement there.²⁶ Although he was unable to recall specifics, Christopherson concluded that during this time, he would have been in regular contact with the White House Liaison Office

²⁰ Christopherson deposition, p. 49.

²¹ *Id.* at p. 42.

²² *Id.* at p. 51.

²³ *Id.* at p. 32. *See also* Decision Memorandum from Gary Christopherson to Bruce Lindsey, Dec. 6, 1993 (Ex. 5).

²⁴ Christopherson testimony, pp. 12-13.

²⁵ Ex. 5 at p. 1.

²⁶ Christopherson deposition, p. 49.

at Commerce, which would have received the John Huang decision memo approved by Bruce Lindsey.²⁷ Christopherson's recollection of the specifics of Huang's placement was vague. He speculated that Huang's placement was routine and uneventful and that as a result, the events did not stand out in his memory. According to Christopherson, there was little disagreement between the White House or Commerce regarding Huang's placement within Commerce.²⁸

The Committee found scant indication that the White House personnel office vetted Huang before sending its recommendation over to Commerce. According to Christopherson, Presidential Personnel essentially left the due diligence work on Huang to the Commerce Department. The personnel office's decision to place Huang at Commerce was based solely upon Huang's resume and his status as a priority placement for the APA Community.²⁹ Once Presidential Personnel made what it considered to be an appropriate fit, vetting the applicant and reviewing his credentials and experience fell to the individual department -- in this case, Commerce.

Christopherson testified as to why Presidential Personnel relied so heavily on the receiving agencies to vet appointees. He explained that the office was "incredibly busy at this time," and that, "by the time we got around October of 1993, we were running a very streamlined, thin

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.* at pp. 54-55.

process and were very much more depending on the agencies to play roles there”³⁰ In short, Christopherson relied on Commerce to identify problems with the Huang appointment.³¹

Vetting aside, the Committee determined that Huang’s fund-raising efforts on behalf of the DNC and the Clinton campaign were important factors in Huang’s placement on the priority list.³² In his deposition, Bruce Lindsey testified, “I think we always had a preference to appoint people who were supportive of the campaign, either financially or because they worked, you know, but there was always a preference if two people were qualified to take someone who had been active and involved in the campaign at one point or the other.”³³

In Huang’s case, the fund-raising continued right up until his appointment and beyond. Indeed, once Huang had finally been matched to an appropriate position, Christopherson’s notes reflect that the appointment was delayed in order that Huang could participate in a fund-raising dinner held on December 4, 1993 in California.³⁴ The delay was needed since Huang would be a political appointee and thus prevented from fund-raising after his appointment to Commerce.³⁵ As

³⁰ *Id.* at p. 63.

³¹ *Id.* at pp. 63-64.

³² Deposition of Bruce Lindsey, July 1, 1997, p. 62.

³³ *Id.* at p. 62.

³⁴ Christopherson deposition, p. 101. Memorandum from Gary Christopherson to Bruce Lindsey, Oct. 18, 1993 (Ex. 6). Christopherson’s notes on the memo stated as follows: “Check Ethics with Bueno re. fund-raiser on December 4th. Check proximity of job decision in fund-raiser . . . Draft with Bruce to discuss timing.”

³⁵ Christopherson deposition, p. 101.

Christopherson put it, "Once you become a political appointee, you stay out of the fund-raising part of the business, period."³⁶

In late 1993, Huang's name was sent over to Commerce along with several other candidates by the White House Personnel Office. This list was sent to Jeffrey Garten, who was the Undersecretary of Commerce for International Trade during most of Huang's tenure there. Once Garten received the list, he forwarded it to the assistant secretaries below him at the International Trade Administration (ITA), including Charles Meissner.³⁷ Meissner, the Assistant Secretary for International Economic Policy, made the decision to hire Huang as his principal deputy. According to Garten, "Meissner came to me and said here's what I would like to do, and he wanted to -- he was suggesting that we hire Huang, and I think the major reason was that Secretary Brown was quite adamant that we have ethnic diversity."³⁸ According to Garten, the White House Liaison list contained two Asian-Americans, and Garten and Meissner discussed where these candidates would best fit within the structure at Commerce.³⁹ The two "jointly came up with the idea that Huang ought to be [the] principal deputy, because of the two, we felt Huang was the least qualified^d to do something substantive, and therefore, we felt we could make that an administrative position so that we could satisfy Brown's objective - it wasn't just Brown; I

³⁶ *Id.*

³⁷ Deposition of Jeffrey Garten, May 16, 1997, p. 12.

³⁸ *Id.* at p. 14. It should be noted that according to Meissner's administrative assistant Halina Malinowski, Meissner did not want to hire Huang but felt that he had no choice.

³⁹ *Id.* at p. 16.

supported it, too - of having some ethnic diversity but at the same time, not putting somebody in a position of policy responsibility that [he wasn't] qualified for."⁴⁰

Garten concluded that Huang lacked the professional qualifications to handle substantive trade and export policy, and reached an agreement up front with Meissner that Huang's responsibilities would be confined to administrative matters. Huang was to act as an administrative assistant to Meissner. According to his agreement with Meissner, Garten understood "that Huang had no -- was to have no policy responsibilities. . . . To the best of my knowledge, he had no responsibility for any policy, and he was there to handle administrative issues."⁴¹ As a result of this decision, Huang ultimately joined the Department of Commerce as the Principal Deputy Assistant Secretary (PDAS) for International Economic Policy on July 18, 1994.

II. Huang's Job Responsibilities and Performance at Commerce

It is fair to say that from the perspective of his contributions to policy and administrative matters at Commerce, Huang was very nearly an invisible man. In his eighteen months as Principal Deputy Assistant Secretary for International Economic Policy (IEP), he left virtually no mark. Indeed, in interviews and depositions conducted by the Committee, many of Huang's subordinates, colleagues, and supervisors were at a loss to explain what occupied his time, apart from routine bureaucratic meetings and some light administrative work.

⁴⁰ *Id.* at p. 16.

⁴¹ *Id.* at pp. 25, 28.

Huang served as the Principal Deputy Assistant Secretary for IEP at Commerce from July 18, 1994 until December 3, 1995, when he left to join the DNC.⁴² Huang's office, IEP, fits within Commerce's ITA. Huang's immediate supervisor was Charles Meissner, the Assistant Secretary for IEP; Meissner's immediate supervisor was Garten. Meissner died in the April 1996 plane crash that took the lives of Secretary Brown and other Commerce officials.

ITA was perhaps the most high profile organization at Commerce while Huang was there. Its primary function -- to promote the export of American goods and services abroad -- was the cornerstone of a Clinton administration initiative to make America's economic interests an important consideration in our foreign policy. Garten was appointed Undersecretary in order to invigorate the ITA and make it a significant player in the commercial diplomacy effort envisioned by the Clinton administration. By many accounts, the activity level and profile of ITA picked up significantly during Garten's tenure. One thing Garten did at ITA was to ignore organizational charts, instead selecting ITA officials who he thought were best able to complete various tasks. This caused some friction, as described below.

When Huang was at Commerce, IEP was one of the four operating units that comprised ITA.⁴³ IEP was arranged geographically. Assistant Secretary Meissner sat atop IEP's structure; beneath him were four deputy assistants with responsibility for different regions of the world;

⁴² It appears that Huang remained a Commerce employee on leave without pay from December 4, 1995 through January 17, 1996. Interview of Elizabeth Stroud, June 11, 1997.

⁴³ The others were Trade and Development, the U.S. and Foreign Commercial Service, and the Import Administration. IEP has since been reorganized and is now called MAC, or Market Access and Compliance.

beneath them were "country desks" staffed primarily by career officials. Huang, as Meissner's principal deputy, had no specific geographical responsibility.

When occupied by Huang's predecessors, the PDAS position had three basic job functions. First, it was designed to be a day-to-day manager for IEP, handling administrative matters -- personnel, budget, space and office resources, and parking -- on behalf of the Assistant Secretary. Second, the PDAS was also intended to fill in for the Assistant Secretary when that person was away from the office. Third, the PDAS carried a policy portfolio, which varied from one Assistant Secretary to another. Huang's immediate predecessor, for example, was the lead official at Commerce staffing the United States's involvement in the Asian-Pacific Economic Cooperation forum.⁴⁴

By all accounts, the initial agreement about Huang reached by Garten and Meissner stuck. Throughout his Commerce tenure, Huang was never trusted to handle substantive policy responsibilities, and he had none to speak of. This reflected not personal animus -- Huang was remembered as a kind and deferential colleague⁴⁵ -- but instead a widely-held assessment of Huang's inability to handle substantive policy in a reenergized ITA. From the start, for example, Garten had misgivings about Huang. "I was uncomfortable with Huang, because one doesn't have a lot of time in these situations, but my instinct, as someone who had lived and worked in Asia, was that he wasn't the kind of person who ought to represent the American government."⁴⁶

⁴⁴ Interview of Rick Johnston, June 12, 1997.

⁴⁵ See Deposition of Alan Neuschatz, May 22, 1997, p. 22; Deposition of David Rothkopf, June 2, 1997, p. 34.

⁴⁶ Deposition of Jeffrey Garten, May 16, 1997, p. 17.

Garten considered Huang “totally unqualified, in my judgment, for the kind of Commerce Department that we were establishing.”⁴⁷

Garten considered certain policy areas to be of sufficient priority that he brought them into the Undersecretary’s office and ran them himself through hand-picked ITA officials.⁴⁸ Several of these involved “big emerging market” countries in Asia. This, combined with Garten’s broader decision to ignore the bureaucratic structures within ITA in tasking out important work, led to some disagreements between Garten and Meissner. Meissner wrote Garten a memo in September 1994, complaining about the situation and offering that Huang and another deputy assistant secretary at IEP could handle Asia. Garten’s response was blunt: “John Huang and Nancy Linn Patton [the other deputy assistant secretary] are not up to what I need at this time. I am not running a training program, so I have to be brutal in terms of getting results I can tell you one thing: neither John Huang nor Nancy Linn Patton are up to handling Asia in any way, shape or form at this time.”⁴⁹ Eventually, one exception was permitted, and Huang took on a very modest policy role assisting Meissner with Taiwan.⁵⁰

Garten’s view that Huang could not handle substantive policy matters was widely shared at ITA. Tim Hauser, a Garten deputy and the top career official at ITA, recalls “a general view across the senior management ranks” that Huang lacked the necessary attributes for substantive

⁴⁷ Testimony of Jeffrey Garten, July 16, 1997, p. 125.

⁴⁸ David Rothkopf, Garten’s deputy, described this as a process where the top ITA officials decided to create a “company within a company” on certain issues instead of attempting a wholesale reformation of ITA and IEP.

⁴⁹ Memorandum from Jeffrey Garten to Charles Meissner, October 4, 1994, pp. 1,3 (Ex. 7).

⁵⁰ Garten deposition, May 16, 1997, p. 28.

policy work.⁵¹ Garten's other deputy, David Rothkopf, while more diplomatic, likewise "was not particularly struck by [Huang's] effectiveness."⁵² Career officials shared these sentiments.⁵³

In light of his frequent access to classified information relating to China, the Committee paid particular attention to whether Huang held any policy responsibility regarding that country, and if not, why. As it turns out, Huang was specifically walled off from China because his superiors concluded he was not capable of doing the work. Garten, who handled China in large measure himself, remembered, "Well, generally, I didn't want Huang working on anything, and since China was such a high priority, there was no chance that, with my knowledge, he would have gotten close to it."⁵⁴ A second reason Garten walled Huang off was Garten's sense that for diplomatic reasons, you "did not mix people" working on Taiwan and China.⁵⁵

Although he was permitted, and indeed expected, to handle administrative matters at IEP, Huang's colleagues held a similarly dim view of his abilities in that regard. Alan Neuschatz, ITA's Director of Administration, interacted frequently with Huang on administrative matters, finding Huang unsure of himself even as to routine decisions and "requir[ing] constant reinforcement."⁵⁶ Neuschatz would have given Huang a grade of "low C" as an administrator and

⁵¹ Deposition of Timothy Hauser, May 22, 1997, p. 39.

⁵² Rothkopf deposition, p. 34.

⁵³ *E.g.*, Interview of Don Forest, April 29, 1997. Alan Neuschatz, the Director of Administration, observed that Huang was "as uninvolved a player as [he] had seen in ten years at ITA." Neuschatz deposition, p. 17.

⁵⁴ Garten deposition, May 16, 1997, pp. 35-36; *see also* Garten testimony, p. 126.

⁵⁵ Garten deposition, May 16, 1997, p. 36.

⁵⁶ Neuschatz deposition, p. 22.

noted that Huang was “fortunate” to have an “experienced and energetic and capable” career assistant, Halina Malinowski, to help him.⁵⁷

On the whole, the image developed of Huang is that of a shy, kindly, somewhat reclusive “light weight” who was out of his depth at Commerce. The only piece of evidence found by the Committee running counter to this image is a favorable job performance for Huang prepared by Charles Meissner. Meissner’s October 1995 appraisal scores Huang a possible 485 out of 500, and grades him as “outstanding.”⁵⁸ Yet according to the witnesses with whom the Committee spoke, the appraisal is meaningless. Garten recounted: “This document has no significance in my mind. All of these reports are totally inflated. Reports written on political appointees are not worth the paper they are written on.”⁵⁹ When asked why Meissner would write such a positive review for someone not held in high professional esteem, Garten surmised, “My guess is that he felt sorry for Mr. Huang because I had so clearly eclipsed any role that [Huang] could have, and he wrote the report knowing that it really made no difference. He couldn’t promote Mr. Huang. He couldn’t expand his range of policy responsibilities. . . . So under those circumstances, the more friendly thing to do was to give him a high rating.”⁶⁰

⁵⁷ *Id.* at p. 80.

⁵⁸ Classification and Performance Management for John Huang, October 1995 (Ex.8).

⁵⁹ Garten testimony, p. 135.

⁶⁰ *Id.* at p. 138. Others shared Garten’s view that Huang’s job appraisal was an innocuous -- and meaningless -- gesture of kindness by Meissner. Tim Hauser, for example, considered the appraisal “more inflated” (Hauser deposition, p. 42) than his view of Huang, noting that political appointees almost always get high ratings. *Id.* at pp. 47-50. Rothkopf was unfamiliar with Huang’s specific appraisal but observed that “generally [] these things are baloney. . . . [The genre] is not high in nutritive content.” Rothkopf deposition, p. 109. Neuschatz noted that Meissner was “extremely nurturing,” and supportive of all of his

Much of the media coverage that preceded the Committee's hearings suggested Huang had an active hand in directing Commerce's international trade policy. The Committee's investigation indicates that this was not so. Huang was inconsequential at Commerce, and he was precluded from having much of a role in substantive policy. He was specifically prohibited from handling matters involving China. That said, Huang nevertheless had frequent access to classified and proprietary information relating to trade policy that was valuable to companies and foreign governments. He received much of that information notwithstanding the fact that he lacked a "need to know" it, in violation of a bedrock principle for controlling the dissemination of classified information. Why that happened, and what he might have done with that information, are discussed below.

III. John Huang's Security Clearances

Since his name first appeared in media accounts regarding the campaign finance scandal, there has been enormous public interest in the security clearance Mr. Huang held at Commerce, including questions regarding why he was granted a clearance, how long he held it, and whether an adequate examination of his background was conducted before its issuance. This section examines the security clearances Huang was granted prior to and during his tenure at the Commerce Department.

In connection with his appointment to Commerce, Huang was granted a top secret security clearance. More precisely, Huang was issued three security clearances in succession, each at the top secret level. Although Huang's first day at Commerce was July 18, 1994, he was granted his first security clearance in January 1994. During that month, the DOC Office of

subordinates; he was also "an easy grader." Neuschatz deposition, pp. 19-20.

Security (OS) conducted preliminary records checks on Huang and, on January 27, 1994, granted him an interim top secret clearance. On August 9, 1994, approximately three weeks after Huang joined Commerce. Office of Security sent Huang's file to OPM for it to conduct a full background investigation. OPM reached a favorable determination on October 18, 1994; the Office of Security concurred seven days later and Huang's final top secret clearance was granted.

Huang's top secret clearance was taken from him on January 25, 1996, shortly after he left for the DNC. However, on December 14, 1995, he already had been granted his third clearance, a top secret consulting clearance, by the Defense Industrial Security Clearance Office (DISCO) in connection with an unsuccessful effort to make Huang a consultant to the Department while he worked for the DNC. Huang's DISCO clearance was not taken away until December 1996.

Huang's first clearance, his interim top secret, was granted by Commerce's Office of Security on January 27, 1994. At the time, Huang was still Vice Chairman of the Lippo Bank, and he would remain at Lippo until July 1994. Huang received the interim clearance based on a records check alone and no interviews or other investigation of his background. Why was Huang granted a top secret clearance six months before he began at Commerce? Since shortly after the campaign finance scandal broke, the press has provided ample speculation, but no answers.⁶¹ The

⁶¹ See, e.g., Brian Duffy & Bob Woodward, "FBI Warned 6 on Hill About China Money; Officials Say Lawmakers, Others Targeted in \$2 Million Plan to Buy Influence," *Washington Post*, March 9, 1997, p. A1 ("For five months while he was still employed at Lippo Group, before he joined the Commerce Department, Huang received a top-secret security clearance that could have allowed him to review classified U.S. intelligence documents . . ."); Jame Adams, "Chinese Spies Had Open Door to Oval Office," *Sunday Times*, November 10, 1996 (noting that Huang's interim clearance "gave him access to vital American intelligence"); Bill Gertz, "Huang Frequent White House Visitor; Also Got Unusual Security Clearance Waiver," *The Washington Times*, October 31, 1996, p. A1.

Committee has found no evidence that Huang actually saw classified materials before joining the Department. That possibility, however, was not ruled out by witnesses with whom the Committee spoke. For example, Joe Burns, an information specialist in the OS who worked directly on Huang's clearance, said Huang may have been granted access to classified information based upon his representation that he held a clearance. "They may say, hey, I'd like you to see this; by the way, do you have a clearance? If you say yes, they [may] take you at face value."⁶²

The answer to why Huang was granted a clearance prior to joining the DOC appears to lie in a policy set in place during the changeover of administrations in early 1993. In past administrations, Commerce followed a policy under which a political appointee's supervisor had to demonstrate the appointee's "need to know" and "critical need" for classified information before an interim clearance would be granted.⁶³

The Clinton Administration ushered in a new policy at Commerce. Under the new policy, all political appointees at Commerce were granted interim top secret clearances after a short series of pre-appointment checks. All appointees were later subjected to full field investigations, but that was because the Clinton Administration eliminated the requirement that management justify

⁶² Deposition of Joseph J. Burns, May 23, 1997, p. 115.

⁶³ This point was circuitously made by Paul Buskirk during the Committee hearing of July 16, 1997. Buskirk testified that, under pre-1993 policy, (and under the policy in place as of March 1997), OS would not issue an interim clearance "until management justify[d] the need-to-know classified information," (Testimony of Paul Buskirk, July 16, 1997, p. 71) and again, that "before 1993, if a position required access to classified information, what we required was that there be a justification for a clearance. Otherwise, if that request came in, they were requested to wait until the background investigation was completed before the clearance was issued." Buskirk testimony, p. 65. Joe Burns told the Committee it was the employee's supervisor who had to demonstrate the requisite need to know. Burns deposition, p. 16.

each appointee's "need to know" prior to the granting of an interim clearance. The new policy was, "everybody gets one."

This policy change is itself an interesting story. It was effected in early 1993 to accommodate the roughly 200 political appointees who soon would be joining the Department.⁶⁴ The idea was to design a system that would allow appointees to have access to classified information the day they walked into the Commerce Department. While meeting that goal, the system was beset by a variety of problems. Perhaps the most significant stemmed from the government requirement that interim clearances can only be granted where there is a "critical need" for one. An interim clearance is granted only after a determination is made to waive the normal background checks that precede the granting of a "final" clearance. For a waiver to be granted, a particularized determination must be made of a "critical need" for the person in question to have access to classified information in short order.⁶⁵ In the Clinton Commerce Department, hundreds of waivers were granted -- and interim top secret clearances conferred -- without particularized determinations of critical need. As noted earlier, under prior policy, interim clearances were granted only for those employees whose supervisors specifically requested such action.

Stephen Garmon, the former Director of Commerce's OS, claims much of the responsibility for the system put in place in January 1993. Faced with a flood of new Commerce

⁶⁴ Deposition of Steve Garmon, May 23, 1997, p. 26.

⁶⁵ *Id.* at p. 45.

appointees, Garmon had to figure out what to do, how to “facilitate the institutionalization . . . of a new administration.”⁶⁶ As he put it:

So I suggested very pointedly that we treat them all as candidates for top secret clearances, and with that as a decision as sort of a bottom line, we’d give them the full blast as far as investigations were concerned, and then it would not make that much difference who was going to be in what position on any given day. The powers that be, whoever they may have been didn’t resist that and accepted it, and we proceeded on that. The intention was to sort of back out of that once they got enough people in key positions that they could operate with any sort of effectiveness, and the unfortunate part is we didn’t turn the spigot off probably as fast as we should have within security. That’s one of those things that happens. You just don’t do it.⁶⁷

Garmon recalls that he proposed his idea in a January 1993 meeting with the DOC’s Director of Human Resources and two presidential transition team members, one of whom, Carol Darr, “was part of the Democratic National Committee.”⁶⁸ Garmon called the two transition team members “emissaries from the administration.”⁶⁹ Garmon received what he recalls to be “a nod of approval” from them.⁷⁰

One of the reasons Garmon conceived of the “everybody gets one” system and ran it by representatives of the Clinton administration was to pre-empt pressure from the administration to grant its appointees access to classified material. Garmon testified, “My experience . . . had been such that I was sensitized to the fact that if I didn’t find some way to expedite this activity, I was

⁶⁶ *Id.* at p. 34.

⁶⁷ *Id.* at p. 27.

⁶⁸ *Id.* at p. 30.

⁶⁹ *Id.*

⁷⁰ *Id.* at p. 31.

going to feel that pressure. I was trying to be on the front end of it, if you will, and avoid the pressure by taking care of it before it arose as an issue.”⁷¹

The system Garmon conceived was implemented soon thereafter. The most obvious problem with the system was its evisceration of the mandated “critical need” standard. No particularized determination of “critical need” was undertaken for the Clinton Administration’s appointees to Commerce.⁷² OS assumed that a “critical need” existed for all political appointees to receive a background-check waiver by virtue of the fact “they were coming on board.”⁷³ Commenting that he knew of no other agency that granted an interim secret clearance to each political appointee, Joe Burns testified: “I don’t think that anyone did it quite the way we did, which was the blanket boilerplate.”⁷⁴

When the 1993 change was put in place, it was meant to last only until a “critical mass” of Commerce appointees were in the door and could access classified information, at which point OS would return to the more particularized, involved process. But this is not how things worked out. The 1993 policy change lived on for four years; Commerce Secretary Daley put an end to the practice in early 1997 as a result of the Committee’s investigation.⁷⁵ Paul Buskirk, who became Acting Director of the OS when Garmon retired, believes the policy instituted by Secretary Daley

⁷¹ *Id.* at p. 34.

⁷² *Id.* at p. 40.

⁷³ *Id.* at p. 45.

⁷⁴ Burns deposition, p. 36.

⁷⁵ See Deposition of Paul Buskirk, June 3, 1997, pp. 25-26.

-- the same policy in place before to the Clinton administration -- "clearly is preferable."⁷⁶ Joe Burns agrees: "I can understand why we went the way we did based on the possibility [of] facing an onslaught of hundreds of people, a lot of chaos going on with trying to process everybody and making sure that everybody had a clearance who needed one. But, in retrospect, I think the way we're doing it now is the best way, which is you've got to justify each person."⁷⁷

Reverting to the old clearance process was not the sole course of action pursued by Secretary Daley on the subject. In response to the Committee's investigation, he also created a security task force to study the Department's handling of security clearances and classified information.⁷⁸ The task force's recommendations on the granting of security clearances emphasize the inadequacy of the procedures set in place in 1992 and suggest even stricter controls than those reinstituted by Secretary Daley.

Several aspects of John Huang's case are typical of clearances issued by the Clinton Commerce Department. In early January 1994, OS was notified Huang would be hired by the Department. Shortly thereafter, pursuant to the procedures in place at the time, Joe Burns made a standard series of pre-appointment checks on Huang. The checks, documented on an OS form referred to by Burns as a "case cover sheet,"⁷⁹ were made largely over the course of one day.⁸⁰

⁷⁶ *Id.* at p. 27.

⁷⁷ Burns deposition, pp. 35-36.

⁷⁸ The task force's recommendation and Secretary Daley's instructions to implement them are attached as an exhibit to this report. See Memorandum from William M. Daley to Raymond G. Kammer, Jr., June 27, 1997 (Ex. 9).

⁷⁹ Burns deposition, p. 53.

⁸⁰ Case Coversheet [title derived], file no. 207, 427, undated (Ex. 10).

Essentially, they entailed checking various computer databases for information on Huang. Hence, Burns ran a National Crime Information Center ("NCIC") check, a credit check, and checks utilizing OPM and Department of Defense databases.⁸¹ Through all but the NCIC check, Burns found no adverse information on Huang.

The NCIC check revealed that Huang had been arrested or detained by INS agents in Baltimore in 1972.⁸² No follow-up work was done to determine the nature of the arrest or detention or its resolution prior to granting Huang his interim clearance.⁸³ Instead, OS officers assumed the incident was insignificant based on Huang's representation (on his SF-86) that he became a U.S. citizen four years later. Specifically, when he was notified that an NCIC check revealed a "hit" for John Huang, Burns went to see Paul Buskirk for guidance. Buskirk told him not to do any follow-up work and to grant the interim clearance.⁸⁴ Looking back, Burns thinks OS probably should have followed up on the NCIC hit to determine the nature of the immigration action.⁸⁵

Huang was granted an interim top secret clearance on January 27, 1994, some six months before he joined the DOC. Whether Huang was notified at the time that he had been granted an interim clearance is not certain. A notification letter, dated January 27, 1994,⁸⁶ and informing

⁸¹ The Defense Department database is known as the Defense Central Investigations Index.

⁸² NCIC report, Jan. 13, 1994 (Ex. 11).

⁸³ Garmon deposition, p. 48.

⁸⁴ Burns deposition, p. 56.

⁸⁵ Burns deposition, p. 67.

⁸⁶ Letter to John Huang from Paul A. Buskirk, Jan. 27, 1994 (Ex. 12).

Huang that he has been granted an interim top secret clearance, is unsigned but initialed by Burns.⁸⁷ Both Burns and Buskirk (the author listed in the letter) are reasonably certain Huang was never sent or shown a copy of the letter.⁸⁸

According to Burns, the letter would have been sent to Huang only when Huang entered into service at the Department and was “briefed in”; that is, provided instructions regarding the handling of classified information and shown and made to sign a non-disclosure agreement (SF-312).⁸⁹ The “briefing in” process is supposed to occur before actual access to classified information is granted.⁹⁰ However, once an interim clearance has been granted, the DOC Office of Personnel is notified and OS updates its computer system to reflect the occurrence.⁹¹ Hence, while it is unlikely that Huang became aware that he received an interim clearance around the time it was granted, it is “possible” that he did.⁹² As Garmon put it, “I do not know that he was [notified of his clearance]. I do not know for certain that he was not. I am reasonably

⁸⁷ Burns deposition, p. 69.

⁸⁸ *Id.*, p. 70; Buskirk deposition, pp. 44-45.

⁸⁹ Burns deposition, pp. 70, 75-76. The Committee never received from Commerce a dated and signed copy of Exhibit 12, the letter notifying Huang of his interim top secret clearance. Such a letter, if it exists, falls clearly within the scope of the Committee’s subpoena to the DOC.

⁹⁰ *Id.*

⁹¹ *Id.*, pp. 72-73.

⁹² *Id.*, p. 72.

comfortable that he wasn't, but there's no guarantee."⁹³ It should be noted that, in terms of access to classified information, there is no difference between an interim and a final clearance.⁹⁴

In order to issue Huang an interim top secret clearance, the Office of Security had to grant him a background investigation waiver. This was done by a waiver memorandum in January 1994.⁹⁵ The memo states that Huang was granted a waiver of background investigation "due to the critical need for his expertise in the new Administration for Secretary Brown."

It is clear that this "critical need" language, and, for that matter, language concerning Secretary Brown's purported involvement in the decision to grant Huang the waiver, is a misleading by-product of the Commerce Department's clearance process. Burns characterized this language as "boilerplate," observing, "Take out Huang's name, and if Mr. Burns was a new political, you put in Burns' name. I mean, you just -- it was boilerplate. Every political waiver is going to look like this."⁹⁶ According to Steve Garmon, neither Secretary Brown nor anyone in his office notified OS that the Secretary had a "critical need" for John Huang's expertise such that he needed an interim top secret clearance.⁹⁷ Paul Buskirk has a similar recollection. Buskirk testified no one in Secretary Brown's office informed OS that the Secretary had a critical need for Huang's expertise.⁹⁸ Buskirk was not aware of anyone within the Department who had a critical need for

⁹³ Garmon deposition, p. 52.

⁹⁴ *Id.*, p. 35.

⁹⁵ Memorandum from Paul Buskirk to H. James Reese, Jan. 31, 1994 (Ex. 13).

⁹⁶ Burns deposition, p. 46.

⁹⁷ Garmon deposition, p. 41.

⁹⁸ Buskirk deposition, p. 38.

Huang's expertise that would require Huang to have immediate access to classified information.⁹⁹

Indeed, in January 1994, Buskirk "didn't know where Huang was going to be assigned."¹⁰⁰

The six-month lag between the granting of an interim top secret clearance to Huang and his entering into service at the Department is difficult to understand. Back in 1994, when Huang joined the Department, it was not uncommon for an interim top secret clearance to be issued weeks before an appointee started. Huang's six-month lag, however, was unusual.¹⁰¹

After Huang's arrival at Commerce, the DOC Office of Security granted him his second successive clearance, a final top secret clearance, on October 25, 1994.¹⁰² The final clearance was not based on a background investigation conducted by OS. Rather, as was its custom, OS farmed that task out to the Office of Personnel Management ("OPM"), which conducted what is known as a Special Background Investigation on Huang. Once OPM had completed its investigation, OS reviewed the results,¹⁰³ and Buskirk then issued the final top secret clearance, which states that it is "valid only while Huang occupies the position [of Deputy Assistant Secretary within the International Trade Administration]."¹⁰⁴

⁹⁹ *Id.*

¹⁰⁰ *Id.*

¹⁰¹ Burns deposition, p. 42. As Burns told the Committee, "[I]f Personnel says do this waiver, [we just assume] that they want it done because the person's coming on board fairly quickly. Why it took six months for Huang to come on board, I don't know." *Id.*

¹⁰² Ex. 10.

¹⁰³ Certification of Investigation, Oct. 25, 1994 (Ex. 14).

¹⁰⁴ *Id.*

The OPM commenced its background investigation of John Huang on August 9, 1994, completing it on October 18, 1994. In the course of the investigation, OPM decided not to conduct an overseas background check on Huang despite Huang's years abroad. OPM claims that its guidelines neither required nor precluded such an investigation in Huang's case.¹⁰⁵ The Committee interviewed Scott Kaminski, a former investigator reviewer at OPM, about Huang's case.¹⁰⁶ Kaminski reviewed the background investigation of Huang before forwarding the completed report to the DOC. Kaminski told the Committee that under OPM rules then in existence, overseas investigative coverage was only required if the appointee lived overseas more than six months in the three years prior to being appointed to a government agency. After reviewing Huang's OPM file, Kaminski concluded that Huang had not lived overseas in the previous three years and decided, within his discretion, not to schedule an overseas investigation.

Kaminski did identify a potential security issue with Huang, however, and he communicated it to Commerce. Kaminski told the Committee that when he learned Huang still traveled frequently to Asia and had a number of contacts there, including at least one bank account, he made a character level "E" notation on his reviewer action sheet for Huang. The "E" notation signified a potential security problem and was used to alert Commerce OS officials, who nevertheless failed to act upon it.¹⁰⁷

¹⁰⁵ In his October 30, 1996 letter (Ex. 15) to Representative Larry Combest, James King, Director of OPM, claimed that the investigation of Huang "met the coverage standards for the type of investigation conducted."

¹⁰⁶ Memorandum of Interview of Scott Kaminski, May 12, 1997.

¹⁰⁷ *Id.*

After the OPM report was forwarded to Commerce, neither Burns nor Buskirk returned the file to OPM to request an overseas check. Hence, the overseas check did not happen, and Huang was granted a final top secret clearance on October 25, 1994.

Buskirk knew at the time that OPM did not do an overseas background check on Huang.¹⁰⁸ That did not trouble him then, but it does now. “Because now we have an issue that if we had gone to Hong Kong and done the neighborhood checks, we probably would have picked up or possibly would have picked up some issues that we didn’t pick up in the investigation.”¹⁰⁹ The issue for Buskirk: “Was [Huang] an agent for Chinese intelligence?”¹¹⁰ That issue was not resolved to Buskirk’s satisfaction.¹¹¹

Shortly before Huang left Commerce, an effort was undertaken to make him a consultant to the Department notwithstanding the fact that he was leaving to join the DNC as a political fund-raiser. As part of the consulting arrangement, Huang was to have been granted the third of his top secret clearances, this one reflecting his status as a Commerce consultant. Although, ultimately, Huang was not made a consultant, he was nevertheless granted a top secret consultant clearance by DISCO in December 1995.¹¹² This clearance was not taken away for a year, or long

¹⁰⁸ Buskirk deposition, p. 60.

¹⁰⁹ *Id.* at p. 60.

¹¹⁰ *Id.* at p. 61.

¹¹¹ *Id.* at p. 62.

¹¹² DISCO clearance, Dec. 14, 1995 (Ex. 16).

after Huang had departed Commerce for the DNC. As far as Buskirk knows, no other consultant on the DOC payroll was ever granted a top secret security clearance.¹¹³

Garmon testified to the process through which Huang was granted a top secret clearance by DISCO. According to Garmon, DISCO granted the clearance based on the fact that Huang, at the time, held a top secret clearance at Commerce. DISCO did not conduct a separate background investigation of Huang.¹¹⁴ OS was notified by DISCO that Huang had been granted a clearance but failed to tell DISCO that Huang would not become a consultant (i.e., that no clearance was needed for Huang). According to Garmon, "My office can be faulted."¹¹⁵ As a result of the snafu, OS changed its procedures so that now, all requests to DISCO for clearances must go through OS.¹¹⁶

Though not directly involved with the granting of a consulting clearance to Huang, Buskirk and Burns both of OS became aware that the clearance had been issued. Buskirk told us that the request for Huang's consulting clearance was handled by the ITA security office, not OS.¹¹⁷ Specifically, Bob Mack, an ITA security officer, submitted the paperwork to DISCO.¹¹⁸ Buskirk recalls a conversation he had with Mack in which Mack told him that Halina Malinowski, Meissner's administrative assistant, pushed him to secure a top secret consulting clearance for

¹¹³ Buskirk deposition, pp. 66-67.

¹¹⁴ Garmon deposition, p. 66.

¹¹⁵ *Id.* at p. 66.

¹¹⁶ *Id.* at p. 68.

¹¹⁷ Buskirk deposition, p. 65.

¹¹⁸ *Id.* at pp. 65-66.

Huang. Buskirk recalls the conversation as follows: “What Bob Mack told me was, because I am asking him if he remembers John Huang, he goes, no, I don’t remember John, but I remember Halina calling me saying this guy needs a clearance, and no is not an acceptable answer.”¹¹⁹ The Committee interviewed Mack, who denied that Malinowski applied undue pressure on him. For her part, Malinowski clearly recalls that Meissner wanted Huang to get the clearance. In fact, she told the Committee that Meissner pushed for the consulting arrangement, and a consulting clearance, as a favor to Huang.

Burns testified that he became aware Huang held a DISCO top secret clearance in December 1996, during a conversation Burns and Buskirk were having with ITA security officer Bob Mack. As Burns puts it, “Bob Mack and Buskirk and I were having a conversation, and Huang’s name came up, nothing to do with him having a consultant clearance, and Mack said, ‘you know, he still has a DISCO T[op] S[ecret],’ and Buskirk’s eyes got wide as saucers and [he said] --‘What?’ So it caught us off guard.”¹²⁰ Burns testified that OS “screwed up” by not entering Huang’s DISCO clearance on its database.¹²¹ As with his interim top secret clearance, it is unclear whether Huang was notified of the DISCO clearance issued in December 1995.¹²²

The more important question is whether Huang had access to classified information during the periods when he held a top secret clearance but did not work at the DOC. Although the

¹¹⁹ *Id.* at p. 68.

¹²⁰ Burns deposition, p. 86.

¹²¹ *Id.* at p. 87.

¹²² When asked in his deposition whether Huang was notified of his DISCO clearance, Steve Garmon replied, “I don’t know that he was not.” Garmon deposition, p. 84.

Committee found no evidence that Huang did, in fact, secure such access to classified information, opportunities to do so may well have existed. When asked whether Huang had access to any classified information at Commerce between January 1994, when he received his interim clearance, and July 1994, when he started work, Buskirk observed, "I don't know the answer to that, but it would have been a breach if someone had given him access."¹²³ As for access after leaving Commerce, although John Huang began working at the DNC on December 5, 1995, he did not turn in his Commerce ID, keys, and passcard until January 22, 1996. Huang therefore had unfettered access to the building for almost two months after he left the Department.¹²⁴ In addition, Buskirk testified that Huang visited Commerce headquarters four or five times in the period February-May 1996.¹²⁵

IV. The Effort to Make John Huang a Consultant

The effort to make Huang a Commerce Department consultant after he had announced his departure for the DNC is perhaps the most mysterious aspect of the Department's experience with Huang. It appears that Charles Meissner and, presumably, Huang, were behind the effort, but it is not clear why either wanted this done. What is clear is that Meissner signed off on paperwork to (1) place Huang on leave without pay starting December 4, 1995 and (2) make him a consultant effective December 3, 1995. In addition, Meissner directed his administrative assistant, Malinowski, to request Huang's third top secret clearance, which was granted by DISCO on December 14, 1995.

¹²³ Buskirk deposition, pp. 45-46.

¹²⁴ *Id.* at pp. 73-74.

¹²⁵ *Id.* at p. 74.

The paperwork requesting Huang be made a consultant contains a statement concerning why Commerce purported to need Huang. It reads, "Mr. John Huang will help the Assistant Secretary for International Economic Policy during the transition time of the Principal Deputy Assistant Secretary's position in IEP."¹²⁶ The forms further represent that Huang was needed to fill a position "requiring a high degree of expertise not available from the regular work force" and that "Huang's expertise on the Asia Pacific region will be used by IEP in commercial policy formulation." To put it mildly, these representations are at odds with the negligible policy role Huang played as Principal Deputy to Meissner.

The effort to make Huang a consultant entailed more than paper shuffling. Meissner met with at least three Commerce officials to enlist their support. In early December 1995, Meissner walked down the hall at Commerce headquarters to Deputy Undersecretary Tim Hauser's office and found Hauser and ITA's Director of Administration, Alan Neuschatz. Meissner pitched his idea to Hauser and Neuschatz, who, at this point, were aware of Huang's impending move to the DNC. Bemused, Hauser and Neuschatz told Meissner they thought making Huang a consultant was a terrible idea and unsupportable. Undeterred, Meissner informed Hauser and Neuschatz that he might raise the issue to a higher level, which he did.

Sometime in early December 1995, Meissner also paid a visit to Will Ginsberg, who was then Secretary Brown's Chief of Staff. As Ginsberg recalls, Meissner raised several issues, one of which was adding John Huang to the ITA consultant's list. Ginsberg remembers asking whether the move would be politically sensitive. He also asked why Meissner wanted to make Huang a

¹²⁶ Request for Approval of Advisory and Assistance Services, undated (Ex. 17).

consultant. Ginsberg's notes from the meeting reflect Meissner's reply: to "keep his [Huang's] security clearance."¹²⁷

On the effort to hire Huang as a Commerce consultant, the Committee deposed several of Huang's former colleagues at Commerce. The perspectives of those we spoke to, as discussed below, were largely consistent. In short, those who became aware of the proposal to make Huang a consultant were at a loss to understand -- given Huang's move to the DNC and his inconsequential performance at Commerce -- why such an effort would be undertaken.

Tim Hauser, a career civil servant, served as Deputy Undersecretary for International Trade. Huang's boss, Meissner, reported to Hauser. In early December 1995, Meissner strolled into Hauser's office, where Hauser was talking to Neuschatz, ITA's Director of Administration. According to Hauser, the conversation went as follows: " Meissner said, you know John Huang is leaving. I said, yes, I had heard that. He said he would like to keep him on as a consultant."¹²⁸ Hauser had the impression that Meissner was seeking permission from him and Neuschatz,¹²⁹ although Meissner did not bring any documents for Hauser and Neuschatz to sign.¹³⁰ At the time of this proposal, Hauser was aware that Huang had already accepted a fund-raising position with the DNC.¹³¹

¹²⁷ Notes of William Ginsberg, week of Dec. 6, 1995 (Ex. 18).

¹²⁸ Hauser deposition, p. 59.

¹²⁹ *Id.* at p. 61.

¹³⁰ *Id.* at p. 66.

¹³¹ *Id.* at pp. 59-60.

Hauser made clear to Meissner that the idea of retaining Huang as a consultant was “unnecessary and inappropriate”¹³² because Huang was going to the DNC¹³³ and because Huang’s expertise and knowledge of the Asia Pacific region were not unique.¹³⁴ Hauser testified, “I felt the organization could survive Mr. Huang’s departure.”¹³⁵ What Hauser thought, though, and out of respect for Meissner, did not say, was that the proposal was “lunacy.”¹³⁶ Meissner did not have the authority on his own to make Huang a consultant. Hauser believed that, because Huang was a political appointee, the chief of staff (Ginsberg) would have had to authorize Meissner to make such a decision.¹³⁷ When Hauser told Meissner that he could not support bringing Huang on as a consultant, Meissner said that he might “want to talk to the people upstairs;”¹³⁸ Hauser understood this to mean Meissner might speak Ginsberg.¹³⁹

¹³² *Id.* at p. 59.

¹³³ *Id.* at pp. 59-60.

¹³⁴ *Id.* at p. 65. Although Garten was unaware at the time of Meissner’s proposal to retain Huang as a consultant, he shares Hauser’s view that hiring Huang would have been a waste. “Huang was so totally ineffective, in [my] view.” Garten deposition, May 16, 1997, pp. 40-41. Garten went on to state, “[l]ooked at rationally, Huang made virtually no contribution that I can think of to national policy, and so, I would consider it totally irrational to want to keep him on.” *Id.* at p. 40.

¹³⁵ Hauser deposition, p. 61.

¹³⁶ *Id.* at p. 63.

¹³⁷ *Id.* at pp. 58-59.

¹³⁸ *Id.* at p. 60.

¹³⁹ *Id.* The paperwork requesting Huang’s consulting state in part, “Mr. John Huang will help the Assistant Secretary for International Economic Policy during the transition time of the Principal Deputy Assistant Secretary’s position in IEP.” Ex. 17, p. 1. In his eighteen years of employment at the Department of Commerce, Hauser was unaware of any occasion where a Department employee was made a consultant to ease the transition

The consulting paperwork represented that Huang would be assuming a consulting position “requiring a high degree of expertise not available from the regular work force.”¹⁴⁰ Hauser was not aware of any expertise John Huang had that was shared by no one else in the Commerce work force¹⁴¹ and stated that he believed Huang did not serve a significant role in any policy matters.¹⁴² Moreover, Hauser characterized the principal deputy position held by Huang as “perhaps an unnecessary layer of management.”¹⁴³

The Committee also spoke about the proposed consultancy to Neuschatz, who recounted that he and Hauser were “somewhat surprised and a little aghast” by Meissner’s suggestion; neither saw the necessity of such a move and both were concerned that Huang was going to the DNC.¹⁴⁴ Neuschatz recalled telling Meissner “it would be a Hatch Act violation” for Huang to work at the DNC and remain a Commerce consultant.¹⁴⁵

of the person taking over for him or her. Hauser deposition, p. 64. Hauser further testified that he was unaware of any employee who was made a consultant upon leaving the Department, and he characterized Meissner’s request as “unusual” in that sense. *Id.* at p. 112.

¹⁴⁰ Ex. 17, p. 2.

¹⁴¹ Hauser deposition, p. 65.

¹⁴² *Id.* at p. 23.

¹⁴³ *Id.* At the bottom of exhibit 17 is a box to be signed by the “certifying official.” Although his title was typed in the box and there is a blank line for his signature, Hauser was never asked to sign this document and would not have signed it had he been asked. Hauser deposition, pp. 18-22, 23, 66.

¹⁴⁴ Neuschatz deposition, p. 42.

¹⁴⁵ *Id.* Neuschatz confirmed Hauser’s recollection that Meissner said he needed Huang in order to ease the transition period that would result from his departure and that Meissner believed Huang going to the DNC did not matter. *Id.*

After striking out with Hauser and Neuschatz, Meissner was true to his word and, in early December 1995, “took the matter upstairs,” meaning to Will Ginsberg, Secretary Brown’s chief of staff. Meissner visited Ginsberg’s office to discuss, among other things, Meissner’s desire to make Huang a consultant. At that time, Ginsberg had never met Huang. Meissner did not ask Ginsberg to take any action in this regard; rather, Meissner was “simply seeking to make [Ginsberg] aware of [his plan].”¹⁴⁶ Ginsberg later learned that Meissner had already approached Hauser and Neuschatz about making Huang a consultant and “the idea was not being greeted warmly It basically wasn’t going anywhere.”¹⁴⁷

Although Ginsberg does not specifically recall a discussion about Huang with Meissner, his notes reflect that Huang was discussed.¹⁴⁸ Ginsberg believes that the three lines highlighted in his notes refer to Meissner’s proposal to make Huang a consultant.¹⁴⁹

The second line of the highlighted portion of Ginsberg’s notes read, “political sensitivity?” According to Ginsberg, the notation reflects his conclusion that it would be problematic to make

¹⁴⁶ Deposition of Wililam Ginsberg, June 17, 1997, p. 65. One of Ginsberg’s duties as chief of staff was overseeing personnel issues for the Department of Commerce’s political appointees. *Id.* at p. 91.

¹⁴⁷ *Id.* at p. 59.

¹⁴⁸ *Id.* at pp. 45-47. During his tenure at the Department of Commerce, Ginsberg took some twelve volumes of notes, four while he was Chief of Staff. Ginsberg’s notes are organized chronologically. According to Ginsberg, “[t]he purpose of the notes was to remind myself of anything that I needed to know....These were all memory joggers in one sense or another.” *Id.* at p. 29. The Department produced portions of Ginsberg’s volumes including entries from the week of December 4-8, 1995, which is where the notes of the Meissner meeting are found. See Ex. 18.

¹⁴⁹ *Id.* at p. 52. See Ex. 18.

Huang a consultant because he was going to the DNC.¹⁵⁰ Ginsberg had learned that Huang was going to the DNC either prior to or during his meeting with Meissner,¹⁵¹ and it struck him as odd that Huang, a Commerce employee he had heard “almost nothing about” was being placed in a high-level position at the DNC.¹⁵²

On the third line of Ginsberg’s highlighted notes, he wrote “why? keep his security clearance.” In his deposition Ginsberg stated, “I take that to mean that I asked Chuck Meissner why he wanted Huang to be on the ITA consultants list and that he said to keep his security clearance. He may have said other things as well, but he said that at least part of the reason was so that Huang could keep his security clearance.”¹⁵³ Ginsberg’s general impression is that Meissner was seeking to make Huang a Commerce Department consultant as a favor to Huang.¹⁵⁴

V. Huang’s Access to Classified and Other Sensitive Information

ITA’s senior officials regularly receive classified information about political and economic developments abroad. The information comes from CIA materials, State Department cables, and working papers and reports that contain classified information. In addition, those officials have access to proprietary information about American trade policies and individual business deals. Public officials, including ITA officials like Huang, are supposed to receive classified information only if they hold the requisite clearances and only if they have a “need to know” the information.

¹⁵⁰ *Id.* at p. 54.

¹⁵¹ *Id.* at p. 55.

¹⁵² *Id.* at p. 57.

¹⁵³ *Id.* at pp. 55-56.

¹⁵⁴ *Id.* at p. 66.

The Committee has found no evidence that Huang received information for which he did not hold the proper clearance, but there is significant evidence that Huang had no need to know, and indeed had no business receiving, whole areas of classified information made available to him.

Expecting that Huang's marginalized policy role would have greatly limited his access to classified information, the Committee was surprised to learn that Huang enjoyed frequent and routine access to such information. In fact, Huang's virtual freeze out from substantive matters did not hinder his ability to see that information at all. In summary, the Committee determined that Huang obtained classified and other sensitive information routinely from the following sources:

- First, he received regular intelligence briefings from a CIA detailee who worked in Commerce's Office of Intelligence Liaison (OIL).¹⁵⁵ Between October 1994, when they began, and November 1995, when they ended, Huang received a total of 37 one-on-one briefings.
- Second, Huang received a flow of classified and unclassified cables from foreign diplomatic posts relating to trade and economic matters.
- Third, by virtue of being Meissner's principal deputy, Huang had routine access to reports and briefing materials that would have contained classified and other sensitive information.

Because much had been written in the press about whether Huang had received intelligence briefings at Commerce, the Committee examined that issue in detail. The topic

¹⁵⁵ After Huang left Commerce, the Office of Intelligence Liaison was renamed the Office of Executive Support. For clarity's sake, in this report we will refer to the office by its former name, OIL.

involves the Commerce Department's Office of Intelligence Liaison. Owing to the nature of the topic, much of the Committee's work is classified. However, in the interest of making as much information as possible available to the public, an unclassified version is provided below. As the Committee learned, OIL is Commerce's window to the intelligence community. It "provides information on foreign governments to the Secretary and his senior executives," and much of [that information] is classified."¹⁵⁶ OIL's main responsibility is to review classified material and then provide regular briefings to senior Commerce officials,¹⁵⁷ doing so through a small cadre of officials drawn from Commerce and other government agencies. Those OIL officers are assigned particular Commerce officials to brief and then establish "client" relationships with them, attempting to tailor the classified information available to OIL to a particular "client's" job responsibilities.

Huang was one such OIL client. Robert Gallagher, the head of OIL, assigned Huang to John Dickerson, one of Gallagher's OIL officers. Dickerson was in fact an employee of the Central Intelligence Agency (CIA) detailed to OIL. Dickerson was undercover at Commerce, posing as a Department of Energy official, so Huang thus would not have known of Dickerson's CIA affiliation. Because Dickerson's cover was compromised in 1997 by media coverage of a

¹⁵⁶ Deposition of Robert P. Gallagher, May 30, 1997, p. 5. The Committee deposed Gallagher and Dickerson on May 30, 1997, bifurcating each deposition into unclassified and classified portions. In the case of Gallagher, the Committee has obtained declassification of excerpts of his previously-classified testimony. In order to keep references to Gallagher's deposition testimony precise, subsequent citations to Gallagher's deposition will distinguish between the "unclassified" and "declassified" portions.

¹⁵⁷ *Id.*

FOIA lawsuit involving the Commerce Department, the CIA decided to roll back his cover.

Dickerson testified before the Committee as an openly-acknowledged employee of the CIA.

Although Huang started at Commerce in July 1994, he did not have his first contact with OIL until early October 1994, when Gallagher and Dickerson first approached him.¹⁵⁸ At the time, Dickerson was providing classified briefings to Meissner, Huang's supervisor. Meissner mentioned to Dickerson that Huang should be receiving such briefings as well. Dickerson discussed the matter with Gallagher, and they agreed that Dickerson should start briefing Huang.¹⁵⁹ Notwithstanding Meissner's request that they brief Huang, the ultimate decision regarding the scope of his briefings resided with OIL. As the holder of the classified information to be imparted, OIL has a "fair amount of autonomy" in deciding which areas briefings for particular officials would cover.¹⁶⁰

In his deposition Gallagher recalled the process for deciding the scope of Huang's briefings in some detail, possibly because Gallagher remembered Huang fitting an OIL briefing void so neatly. At the time, no senior official at Commerce was receiving and digesting the full range of intelligence available regarding the greater China area.¹⁶¹ Gallagher perceived that such a person was needed to provide "steady, continuous executive following" of that information.¹⁶² Gallagher and Dickerson identified Huang as a good candidate to provide that coverage, to serve

¹⁵⁸ *Id.* at p. 6.

¹⁵⁹ Deposition of John H. Dickerson, May 30, 1997, p. 5.

¹⁶⁰ Gallagher unclassified deposition, p. 11.

¹⁶¹ Gallagher declassified deposition, p. 34.

¹⁶² *Id.*

as a “safety net” on China,¹⁶³ and they decided to shape his intelligence briefings accordingly to focus on the greater China area.¹⁶⁴ They did not consult his personnel file in making this decision, instead relying on “getting a feel from him” in person¹⁶⁵ and also relying on their own experience in such matters.¹⁶⁶

What drew them to Huang still stands out in Gallagher’s mind. Huang had “an obvious cultural background. There was a sensibility about things Chinese that you just don’t get even if you’re a Chinese scholar from Yale.”¹⁶⁷ Huang “would go into interesting vignettes about how people have to got to understand how to deal with the Chinese.”¹⁶⁸

Having thus determined for itself the appropriate scope for Huang’s briefings, OIL commenced Huang’s briefings. As Dickerson and Gallagher explained, the briefing process consisted of one-on-one meetings in Huang’s office, where Dickerson would take intelligence materials to Huang, Huang would read them, and the two would occasionally discuss the

¹⁶³ *Id.*

¹⁶⁴ *Id.* at p. 37.

¹⁶⁵ *Id.* at p. 36.

¹⁶⁶ Gallagher unclassified deposition, pp. 10-11; *see also* Gallagher declassified deposition, p. 34. Dickerson believed that Meissner mentioned to him that Huang “would be his Asia specialist and I assumed that I should bring him intelligence in that area.” Dickerson deposition, pp. 5-6. At the hearing, both Dickerson and Gallagher testified that they briefed Huang on Asia because Meissner specifically directed them to do so. Testimony of John Dickerson, July 16, 1997, p. 218.

¹⁶⁷ Gallagher declassified deposition, pp. 36-37.

¹⁶⁸ *Id.* at p. 35.

significance of particular documents.¹⁶⁹ Dickerson typically called Huang to arrange their briefings; Janice Stewart, Huang's secretary, noted that he treated these as important meetings.¹⁷⁰

Dickerson briefed Huang a total of 37 times. Dickerson estimated that he showed Huang between 10 and 15 pieces of intelligence per briefing. Thus, the best estimate of how many separate pieces of intelligence Huang saw was between 370 to 550.

The great bulk of materials Huang saw was "field reporting," or raw intelligence, that is considered more sensitive -- largely because it may contain information about sources and methods of intelligence gathering -- than other kinds of classified information. The field reports Dickerson took Huang were sufficiently sensitive that Huang was forbidden from keeping the materials or taking notes about them. Likewise, owing to the sensitivity of the material, after a briefing Dickerson would destroy the materials shown Huang.¹⁷¹ Thus, for nearly all of what Huang saw there is no record, apart from what Dickerson (and, presumably, Huang) can reconstruct from memory.

Consistent with OIL practice, however, Dickerson wrote down any substantive comments Huang made on the field reporting that Dickerson showed him. There are 15 field reports total that reflect Dickerson's transcription of Huang's comments.¹⁷² Of that 15, three bear the special designation "MEM DISSEM," which according to a CIA representative who testified at the

¹⁶⁹ Gallagher unclassified deposition, pp. 5-7.

¹⁷⁰ Deposition of Janice Stewart, May 16, 1997, p. 48.

¹⁷¹ Dickerson testimony, July 17, 1997, p. 160.

¹⁷² Dickerson testimony, p. 158; Gallagher deposition, p. 11.

hearing, reflects “an exceptionally sensitive bit of information or an exceptionally sensitive source.

. . . [T]he MEM DISSEMS are much more sensitive than our ordinary field reporting.”¹⁷³

On occasion, in addition to the field reports, Dickerson would provide Huang with “analytical” classified reports on various topics, which Huang could retain. Under OIL protocols, Huang had to sign receipts for those materials if they were classified at a secret level or higher. Records reflect that he received 12 such “finished” intelligence reports.¹⁷⁴ There are receipts for 10 of the 12 documents.¹⁷⁵ The other two, which are classified as “confidential,” a level below secret, are known only because they were found in Huang’s safe after he left Commerce.¹⁷⁶

Owing to classification restrictions, the Committee could not elicit public testimony regarding the specific documents or briefing areas covered with Huang. However, in a series of hypotheticals, Dickerson recounted the kinds of information that the CIA might have shared with Huang, assuming for the sake of the questions that the CIA even possessed it:

Q: If you had information on economic issues which confronted Taiwan and China, is that the sort of information that you might have given to Mr. Huang?

A: Again, hypothetically, if the CIA had information on these issues, I might have made that available to him.

Q: And, hypothetically, if you had information on investment opportunities in China, is that the sort of information that you might have made available to Mr. Huang?

¹⁷³ Testimony of William H. McNair, July 17, 1997, p. 171.

¹⁷⁴ Gallagher unclassified deposition, p. 11.

¹⁷⁵ Classified Material Receipts, various dates (ex. 19).

¹⁷⁶ Memorandum from Robert P. Gallagher to John Sopko, June 24, 1997 (Ex. 20).

A:
made that available to Mr. Huang.

* * *

Q:
action by China to assure continuing investment by Taiwan in China, is that the kind of information that you might have made available to Mr. Huang?

Yes, if the CIA had -- hypothetically had such information, I might have made that available to Mr. Huang.

The Committee was struck by how little the OIL representatives knew about the true nature of Huang's job responsibilities. As former Undersecretary Garten testified, Huang was learned for the first time during his Committee deposition that Huang was provided information on China by OIL, he was surprised: "I certainly didn't know it was happening. . . . He was in a the indiscriminate nature of the way the intelligence was passed around. . . it was clearly a mistake."¹⁷⁹ touched on the general topic of the People's Republic of China."

Just as Garten had no idea that OIL was briefing Huang on Asia with emphasis on China, Gallagher and Dickerson were ignorant of Huang's exceedingly modest policy role. Neither

¹⁷⁷

¹⁷⁸ *Id.*

Garten deposition, June 3, 1997, pp. 73-74.

Id. at p. 74.

Huang nor Garten (nor, apparently, Meissner) ever described Huang's actual policy portfolio to them. In his deposition, when he first heard about Huang's actual job responsibilities, Gallagher became visibly annoyed. "If any of them had it probably definitely would have changed the way -- I mean it would have been nice if Jeff [Garten] had communicated such a policy to us. I mean I can't read minds."¹⁸¹ Although Dickerson was more measured, he, too, was unhappy: "At a minimum, I would have sat down with Mr. Garten and asked him exactly why he was doing this or at least said to Mr. Garten, 'Mr. Garten, are you aware that we are briefing Mr. Huang on China?' In fact, this is the first I've heard of that."¹⁸² Gallagher agreed that there was a "disconnect" between Huang's policy responsibilities and his intelligence briefings.¹⁸³ As for Huang's input, Gallagher only recalled Huang telling Gallagher and Dickerson of his interest in China.¹⁸⁴ Gallagher could not remember whether Huang ever indicated that he had a policy portfolio relevant to China.¹⁸⁵

The upshot of the "disconnect" between Huang's job and his intelligence briefings is that in all likelihood, Huang saw significant amounts of intelligence information that he lacked a need to know. Gallagher and Dickerson defended the nature of the OIL briefings to Huang, with

¹⁸¹ Gallagher unclassified deposition, p. 19.

¹⁸² Dickerson deposition, p. 13.

¹⁸³ Gallagher unclassified deposition, pp. 19-20.

¹⁸⁴ Gallagher declassified deposition, p. 36.

¹⁸⁵ *Id.*

Gallagher opining that OIL was "100 percent correct in what we showed him."¹⁸⁶ However, the simple facts about Huang's actual policy responsibilities reflect otherwise. A clear mistake was made in briefing Huang on China and probably other areas as well.

Apart from his intelligence briefings, Huang had frequent access to other sources of sensitive and classified information. First, he routinely received classified diplomatic cables sent to Commerce through an electronic cable system employed by the federal government. Commerce's access to the cable system is maintained at ITA's Communication Center.¹⁸⁷ The center keeps "reader profiles" for senior positions at Commerce, and through a program that automatically reads and selects cables responsive to the profiles, the center gathers and holds such cables for distribution to appropriate officials.¹⁸⁸

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Dickerson recalls that Meissner told him Huang would be his Asian specialist and that *E.g.*, Dickerson testimony, p. 180). At the Committee's hearings, both Dickerson and Gallagher clung to this remark as a justification for providing Huang with so much briefing on matters he did not need to know. There two problems with the comment as offered. First, it is contradicted by Gallagher's recollection -- at his deposition and earlier interview -- that he and Dickerson decided for themselves the appropriate scope of Huang's briefings, making the call that Huang should serve as the China "safety net." Second, the remark attributed to Meissner makes no sense in light of events at the time. Meissner already had an "Asia specialist" in Nancy Linn Patton, the Deputy Assistant Secretary for Asia. More importantly, by this time to handle Asia policy. See exceedingly clear to Meissner that Huang was to have no role whatsoever. Garten testimony, p. 126. Based on this unrefuted testimony, it would defy logic for Meissner to

¹⁸⁷ A limited number of cables with special dissemination strictures are handled separately at Commerce by OIL.

¹⁸⁸ Interview of Lewis Williams, June 11, 1997; Neuschatz deposition, pp. 29-31.

Huang had a reader profile, which meant cable traffic was automatically set aside for him by the ITA Communications Center. Because the Communications Center only keeps records for 90 days of which cables it distributes, there are no records of the cables Huang saw.¹⁸⁹ Thus, in the absence of Huang's own recollection, no one will ever know what exactly he saw. However, through the testimony of his former secretary, Janice Stewart, the Committee has established a fairly clear record of at least how often he received such cables. Stewart recounted that she signed for Huang's cables from the Commerce communication center each morning.¹⁹⁰ The cables Huang received often numbered from about 25 to 100 per pick up.¹⁹¹ The cables were classified as "confidential" and "secret." Once Huang finished a review of a cable, he would either direct Stewart to file them in a safe maintained in Huang's office (or a similar one for Stewart),¹⁹² or dispose of them.¹⁹³ Stewart is sure Huang had her make copies of classified cables for filing in her safe.¹⁹⁴ She cannot recall if Huang ever directed her to send copies of cables or other classified information to others,¹⁹⁵ but she is not confident Huang returned to her all of the cables he received for either disposal or filing.¹⁹⁶

¹⁸⁹ Williams interview.

¹⁹⁰ Stewart deposition, pp. 14-15.

¹⁹¹ *Id.* at p. 16.

¹⁹² *Id.* at pp. 22-23.

¹⁹³ *Id.* at p. 21.

¹⁹⁴ *Id.* at p. 28.

¹⁹⁵ *Id.* at p. 18.

¹⁹⁶ *Id.* at p. 23.

In addition to cables, Huang routinely had classified and sensitive briefing papers and memoranda cross his desk. Again, Stewart provided the best informed account of how that worked day-to-day. Stewart would sign “classified material receipts” for reports Huang received from the OIL,¹⁹⁷ as well as for secret level reports, briefing materials, and correspondence received in the ordinary course of business.¹⁹⁸ In addition, Huang reviewed classified materials sent to Charles Meissner,¹⁹⁹ and could keep copies of these documents if he chose to do so. Stewart, however, does not recall if Huang ever requested such copies to be made.²⁰⁰ Stewart’s recollection that classified information crossed Huang’s desk frequently is borne out by the general impressions of his other co-workers.²⁰¹

An obvious question regarding Huang’s access to classified information is whether he mishandled or improperly disclosed any of it. The press has reported on the prospect that Huang might have shared such information inappropriately,²⁰² including with his former employer, Lippo, which has extensive business interests throughout Asia and thus might have found the information useful.

¹⁹⁷ *Id.* at p. 57.

¹⁹⁸ *Id.* at pp. 57-58.

¹⁹⁹ *Id.* at pp. 39-40.

²⁰⁰ *Id.* at p. 40.

²⁰¹ *E.g.*, Interview of Don Forest, April 29, 1997; Neuschatz deposition, pp. 28-34; Hauser deposition, pp. 54-55.

²⁰² According to one press account, “reliable but unconfirmed” FBI reporting indicates that Huang passed a classified document to the Chinese government while he was at Commerce. Bob Woodward, “FBI Had Overlooked Key Files in Probe of Chinese Influence,” *Washington Post*, Nov. 14, 1997, p. A1.

None of Huang's coworkers noticed anything unusual or inappropriate in his handling of classified information. That said, the Committee has found that Huang had ample opportunity to mishandle that information if he chose to do so, including significantly a secret office across the street from Commerce at Stephens Inc. to which he frequently repaired. That access, combined with Huang's unusually frequent contact with Lippo officials worldwide while at Commerce, at a minimum raises the threshold question of whether Huang passed along classified information to those who should not have received it. The Committee is unable to answer the question to its satisfaction. On this key question, as on so many others, it would have been extremely helpful to receive testimony from Huang himself.

As explained by Stewart, Huang had a safe in his office for the storage of classified materials.²⁰³ Huang's office suite (which he shared with Meissner and others) contained 8 or 9 safes, and every morning each safe would be opened by the secretaries for the day.²⁰⁴ Each safe, at the end of the day, would be locked by the last secretary to leave, unless a professional was still working with materials from a personal safe.²⁰⁵ Huang would frequently stay later than Stewart, and thus would be responsible for locking his safe.²⁰⁶ Stewart recalls a few occasions when Huang would be the last person in the office.²⁰⁷ In addition, as one might expect, there were

²⁰³ Stewart deposition, pp. 25, 29.

²⁰⁴ *Id.* at pp. 26-27.

²⁰⁵ *Id.*, p. 27.

²⁰⁶ *Id.* at pp. 27-28.

²⁰⁷ *Id.* at p. 34. According to the Department, there are no surviving records reflecting occasions when the office suite safes, including Huang's, were opened and closed.

plenty of phones, facsimile machines, and copiers in Huang's suite of offices to which he had access.

Much more striking than his Commerce facilities, however, was the Committee's discovery that while at Commerce, Huang maintained access to a separate office across the street at Stephens, Inc. Huang used this office regularly, including its phone and facsimile facilities, and he frequently received packages at the office. No one at Commerce -- not his secretary, not his supervisors, not his coworkers, nobody -- knew that he had such an office.

VI. Huang and Stephens, Inc.

During his tenure at the Commerce Department, Huang made frequent use of a second office across the street in the D.C. office of the Arkansas-based brokerage house Stephens, Inc. ("Stephens D.C.") Huang's use of the office is cloaked in mystery. The Committee knows he visited the office, but for what purposes is unclear. He visited Vernon Weaver there, a former Stephens official who is now U.S. Ambassador to the European Union, but what they discussed is not known. Huang received faxes and overnight packages at the office, but the Committee doesn't know their substance or who sent them. Huang sometimes appeared at Stephens carrying an envelope or small briefcase, but the Committee does not know what they contained and what Huang did with the contents. Finally, no one the Committee spoke to at Commerce was aware of Huang's frequent visits to the Stephens D.C. office. Indeed, Huang's secretary, Janice Stewart, testified she had "never heard of Stephens, Inc."²⁰⁸

On July 17, 1997 the Committee heard the testimony of Paula Greene, who, from early 1993 until January 1996, worked as an administrative assistant and secretary at Stephens D.C.

²⁰⁸ Stewart deposition, p. 83.

Stephens, Inc. is Arkansas' largest brokerage firm and has significant business ties to the Lippo Group and the Riady family. During the time Greene worked there, its Washington, DC offices were located on the 6th floor of the Willard Building, 1455 Pennsylvania Avenue, NW, just across the street from the Department of Commerce.

Stephens D.C. maintained a spare office for use by friends of the firm and visitors from out of town.²⁰⁹ Greene testified that Huang infrequently used that office when he worked for Lippo Bank in California and more often when he moved to the Department of Commerce.²¹⁰ When Greene worked at Stephens D.C., the office included three other employees: J.W. Rayder, Greg Eden, Vernon Weaver; later, Celia Mata, a secretary and receptionist, joined the staff.²¹¹

Greene testified that Stephens D.C. made its spare office available to visiting Stephens' employees, as well as to friends of Weaver, Rayder, and Eden.²¹² Any visitors using that office were also permitted to use the fax machine, copier, and telephone, which had no special access or security codes. There were no records kept of incoming or outgoing faxes, nor of what copies were made and by whom.²¹³

²⁰⁹ Testimony of Paula Greene, July 17, 1997, p. 12. A Committee chart reflecting Ms. Greene's recollection of the Stephens D.C. office layout is attached as Exhibit 21.

²¹⁰ *Id.* at pp. 14-15.

²¹¹ *Id.*

²¹² Deposition of Paula Greene, July 2, 1997, p. 18.

²¹³ Greene testimony, p. 13.

While he worked at Commerce, Huang regularly received faxes, packages, and correspondence at Stephens D.C.²¹⁴ Greene had specific instructions from Ambassador Weaver to alert Huang when this occurred, and Huang would routinely come by and pick these items up.²¹⁵ Sometimes, Huang would show up at the Stephens office unprompted by a call from Greene.²¹⁶ Generally, when documents or packages addressed to Huang were received in the Stephens D.C. office, Greene placed those in an in-out box located on the desk in the spare office, which she referred to as "Mr. Huang's desk." She then called Huang to let him know something had arrived.²¹⁷

Greene testified that, while at Commerce, Huang used the spare office more frequently than anyone other than visiting Stephens, Inc. employees. Huang used the office "perhaps two, three times a week, . . . not every week, but sometimes it would be two or three times."²¹⁸ When Huang visited the office he would meet with Weaver if he was around.²¹⁹ Greene does not know what Huang and Weaver discussed.²²⁰ Following these meetings, Huang would walk back to the spare office. Huang made use of the Stephens phones and copier machine as well.

²¹⁴ *Id.* at pp. 21, 36. We also know that Huang received faxes at Stephens Inc. prior to joining the Commerce Department. See Facsimile to John Huang from the Committee of 100, a New York based group of Chinese Americans who favor strong U.S. relations with China, May 5, 1994 (Ex. 22).

²¹⁵ Greene testimony, p. 16.

²¹⁶ *Id.* at pp. 21-22.

²¹⁷ *Id.* at p. 21.

²¹⁸ *Id.*

²¹⁹ Deposition of Celia Mata, August 1, 1997, p. 50; Greene testimony, p. 18.

²²⁰ Greene deposition, p. 40.

Huang would not come to Stephens D.C. office empty-handed. On this point the Committee deposed Celia Mata, who worked as a Stephens D.C. secretary and receptionist.²²¹ She testified as follows:

Q: What would John Huang bring with him to the office, if anything?

A: He would have like a yellow envelope or a folder sometimes or a very small, like a legal-size briefcase.²²²

Mata does not know what Huang may have brought into the Stephens office in the envelope or folder, or what he carried out.²²³

Greene testified she was not able to see whether Huang used the fax or copy machines when he visited the office, but, like every other visitor, he was entirely permitted to do so.²²⁴ Although from her desk she could not see whether Huang used the telephone, Greene could tell he did so, based on the phone lights at the receptionist's desk.²²⁵

Greene described an unusual set of instructions she was given by Ambassador Weaver. Weaver, would ask Greene to call Huang on his behalf, often to alert Huang that Weaver wanted to speak or meet with him.²²⁶ Huang was the only person Weaver asked her to call on his behalf. Greene understood that Weaver asked her to do this because "[h]e did not want his name to

²²¹ Mata deposition, p. 6.

²²² *Id.* at p. 52.

²²³ *Id.* at p. 52.

²²⁴ Greene testimony, pp. 13, 21.

²²⁵ *Id.* at p. 22.

²²⁶ *Id.* at p. 18.

appear on [Huang's telephone] logs very frequently."²²⁷ At the hearing, Greene responded to

Senator Collins' questioning as follows:

Senator Collins: Did Mr. Weaver also ask you on occasion to call Mr. Huang and indicate that Mr. Weaver wanted to speak with him?

Ms. Greene: Yes.

Senator Collins: And then would Mr. Huang meet on occasion with Mr. Weaver at Stephens, Inc.?

Ms. Greene: Yes.

Senator Collins: Did Mr. Weaver also tell you he wanted you to call Mr. Huang on his behalf? In other words, Mr. Weaver didn't call directly very often. He would ask you to call for him; is that correct?

Ms. Greene: Yes.

Senator Collins: Did he say why he wanted you to call for him?

Ms. Greene: Yes, he did.

Senator Collins: Could you tell us why that was?

Ms. Greene: He did not want his name showing up on the message logs very frequently.

Senator Collins: So he asked you to call for him because he didn't want his name showing up on the message logs of the Department of Commerce for Mr. Huang; is that correct?

Ms. Greene: Yes, that's correct.²²⁸

²²⁷ *Id.* at p. 19.

²²⁸ *Id.* at pp. 18-19.

In addition, Weaver instructed Greene to speak directly with Huang, and in the event that Huang was not available, simply to leave a message for him to call her. She was specifically instructed not to leave a detailed message:

Ms. Greene: As best as I remember, I was told that if any faxes or anything came in for Mr. Huang, I was to contact him directly. . . in regards to letting him know that he had something to pick up at the office. If he was not there, then I was just to leave a message for him to call me.

Senator Collins: Did Mr. Weaver specifically instruct you not to leave a detailed message with Mr. Huang's secretary?

Ms. Greene: To my knowledge, yes.

Senator Collins: He did? He told you, in other words, that if you couldn't talk to Mr. Huang directly, to just leave your name and have him call back, to not leave a message saying that there was a package for him or he had received faxes, but just to leave your name. Is that correct?

Ms. Greene: Yes, that's correct.

Senator Collins: In your experience in working with Mr. Weaver, this was the one case where you were told not to leave a detailed message?

Ms. Greene: Yes.²²⁹

The Committee documented twenty-six messages left for Huang at Commerce by either Weaver or Greene. Greene told the Committee that each of these messages would have been left

²²⁹ *Id.* at pp. 16-17.

to alert Huang that he had received a fax or a package or that Mr. Weaver wanted to speak to him.²³⁰ The message slips represent only unsuccessful calls, and thus do not tally all of the calls to Huang.²³¹

Huang's purpose in visiting Stephens D.C. so regularly remains a mystery. Any speculation that Huang faxed Commerce-derived classified or proprietary materials from the Stephens D.C. facsimile remains just that, speculation. Given that proviso, attached as Exhibit 24 is a spreadsheet prepared by the Committee listing by date (1) the 37 intelligence briefings John Dickerson gave Huang, (2) the nine classified material receipts covering ten pieces of finished intelligence receipted to Huang, and (3) phone calls and facsimile transmissions from Stephens D.C. to various Lippo entities.²³²

As one can see, there are no telephone or fax transmission entries after January 1995. Counsel for Stephens has informed the Committee that, some time in early 1995, Stephens D.C. changed its long distance carrier, and the Committee could not obtain records from the new carrier. The spreadsheet contains no records of calls made after the change.

Although the Committee has no specific information about the contents of Huang's communications from Stephens D.C. to Lippo, a number of these communications took place in close proximity to his intelligence briefings. Among the more notable are the following:

²³⁰ *Id.* at pp. 19-20. *See also* Chart of phone messages to John Huang from Stephens, Inc. (Ex. 23).

²³¹ *Id.* at p. 20.

²³² Committee spreadsheet, Calls and Fax Transmissions from Stephens, Inc. and Receipt of Intelligence Information, October 1997 (Ex. 24). The spreadsheet also contains one phone call from Stephens D.C. extension 6774 to Huang's home in Glendale, California. It appears that 6774 is the extension of the visitor's office Huang used.

- On October 5, 1994 at 9:00 a.m., John Dickerson briefed Huang. At 5:49 p.m. on the same day, a fax was sent from Stephens D.C. to Lippo Ltd. in Hong Kong. At 4:20 p.m. the next day, a fax was sent from Stephens D.C. to the Director of Lippo Bank in Indonesia;
- On January 12, 1995 at 10:30 a.m., John Dickerson briefed Huang. At 5:03 p.m. on January 16, 1995, a fax was sent from Stephens D.C. to Lippo Pacific in Indonesia;
- On January 25, 1995 at 11:00 a.m., John Dickerson briefed Huang. At 5:21 p.m. on January 30, 1995, a fax was sent from Stephens D.C. to Lippo Pacific in Indonesia.

Huang's primary professional contact at Stephens D.C. appears to have been Vernon Weaver, who is now the U.S. Ambassador to the Economic Union. In an effort to place that relationship more fully into context, the Committee staff interviewed Ambassador Weaver on June 10, 1997. Huang's relationship with Ambassador Weaver has spanned a decade, extending through Huang's tenure at Lippo, the Commerce Department, and the DNC. Weaver met Huang for the first time in the Spring of 1986 when they both attended a trade mission to Hong Kong with a group from Arkansas.²³³ From that time until 1989 or so, Weaver was in frequent contact with Huang regarding Lippo matters. Weaver characterized Huang as a "personal friend" and noted their wives are friendly.

According to Weaver, Huang was involved in Lippo's "day-to-day" activities "but not the important stuff." Huang served as an "intermediary" between the Riadys and Stephens.

²³³ Memorandum of Interview of Ambassador Vernon Weaver, July 4, 1997. Unless noted otherwise, the following discussion is based on that interview.

Weaver did not recall how he first learned of Huang's appointment to the DOC but noted, "we have a lot of common friends." He did not help Huang secure the Commerce appointment. Weaver said that, after 1989, he "had relatively small amounts of dealings with John Huang."

A review of documents obtained by the Committee shows that Weaver and J.W. Rayder (a Stephens D.C. tax attorney) were in contact with Huang in 1993, while Huang was at the Lippo Bank in California. In September 1993, Weaver faxed Huang a report on former President Carter's summer 1993 trip to Africa.²³⁴ And some time in or before the same year, Rayder sent Huang a handwritten note thanking him for attending a meeting with California State Senator Roberti.²³⁵

Weaver could not explain fully the sixteen written phone messages he left for Huang at Commerce. Weaver said he may have called to congratulate Huang on his appointment and that he met Huang "for lunch and so forth, from time to time." Weaver said he may have had ten lunches with Huang. Weaver never met Huang at the DOC and does not recall meeting with Huang (while Huang was at Commerce) for anything other than a meal. However, Weaver did say Huang may have come to see him at Stephens D.C. to ask about a business deal. Weaver does not know of any fund-raising Huang may have done while he was at Commerce.

After Huang joined the DNC in December 1995, Weaver saw Huang once or twice for lunch.²³⁶ The last time Weaver recalled seeing Huang was on July 16, 1996, at Weaver's

²³⁴ Facsimile from Vernon Weaver to John Huang, Sept. 1, 1993 (Ex. 25).

²³⁵ Note from J.W. Rayder to John Huang, undated (Ex. 26). Roberti was Maeley Tom's employer at the time.

²³⁶ Weaver's contact with Huang after he joined the DNC was not limited to lunches. Among the documents produced to the Committee by the DNC is a May 31, 1996 facsimile from

ambassadorial swearing-in ceremony. Weaver said he doesn't know why Huang left the DOC for the DNC.

Weaver recalled that when Huang worked at Lippo, he sometimes used the Stephens D.C. guest office. Huang was permitted to do so because he was a "friend" of Stephens. Weaver was "quite sure" that Huang continued to use the guest office after he joined Commerce. Weaver doesn't know what Huang did during his visits from Commerce. Weaver's "impression is that [Huang] did not" use the guest office after he joined the DNC.²³⁷ However, Weaver never told Huang to stop using the guest office.

When asked why Paula Greene left a number of phone messages for Huang at Commerce, Weaver said she was probably alerting Huang he had received a fax or message at Stephens D.C. Weaver "suppose[d], probably" that Huang received faxes and messages at Stephens D.C., an arrangement that was in place before Huang joined the DOC.

Weaver's relationship with Huang was not a one-way street. Indeed, it is clear that, while Huang was at Commerce, he did at least one major favor for Weaver and Stephens, Inc. He introduced Weaver to Matt Fong, who had recently been elected California State Treasurer,

Vernon Weaver to John Huang. (Ex. 27). Pages 3 and 4 of the fax are copies of articles from the South China Morning Post. There are two fax lines on each of these articles: one from Stephens Inc. to Huang at the DNC; the other from Lippo Hong Kong to the number 202/234-0015. We learned 202/234-0015 is the fax number at the Sheraton Hotel on Woodley Road in the District. Who was there to receive the fax is unknown.

Weaver told us he did not actually send the fax but that he directed it be sent "for Huang's information."

²³⁷ Celia Mata has a different recollection. She recalls that Huang continued to visit Stephens D.C. until early spring, 1996, or around the time when Weaver made known his interest in the E.U. ambassadorship. Mata deposition, pp. 40-43. Huang stopped calling the office after Weaver moved to Belgium in July 1996. *Id.* at p. 40.

helping Stephens obtain bond business with the State of California. Before Fong became Treasurer, Stephens, Inc. had been on California's "bid list" for bond issues and had received business from the State. Six to eight months before Fong was elected, Huang told Weaver he knew Fong and that he could introduce Weaver to Fong if Fong won the election.

Huang arranged a meeting with Fong for January 20, 1995 at 1:30 p.m.²³⁸ The meeting which took place in Fong's old office in Los Angeles, was attended by Fong, Weaver, Huang, and perhaps J.W. Rayder.²³⁹ As a result of the meeting and a follow up meeting, (on March 24, 1995 between Weaver and Fong), Stephens ended up with bond work from the State of California.

VI. Huang's Fund-raising, White House Access, and Frequent Contact with Lippo and Others While at Commerce

In light of unanimous testimony that Huang did little substantive work at Commerce, and in light of early indications that Huang might have engaged in political fund-raising on the job, the Committee undertook an examination of what Huang actually did at the Commerce Department. That examination was substantially complicated by Huang's refusal to testify before the Committee. However, the Committee was able to draw back the curtain on at least some of his activities by reviewing phone records, appointment books, work product, and other documents that create a paper portrait of his actions. This paper trail, when augmented by relevant testimony from officials at the DNC and Stephens D.C., shows that much of what Huang did at

²³⁸ Note that, according to Huang's travel itinerary, he arrived in Los Angeles on a flight from Tokyo on Friday, January 20, 1995 at 9:10 a.m. Huang was scheduled to take the red-eye from Los Angeles to D.C. on Monday, January 22, 1995.

²³⁹ Memorandum from Paula Greene to Vernon Weaver, et al., Jan. 13, 1995 (Ex. 28).

Commerce bore little relation to his job. Specifically, the records and relevant testimony indicate that while at Commerce, Huang probably raised political contributions illegally, stayed in contact with Lippo officials to an extraordinary degree, enjoyed frequent access to the White House unexplained by his substantive job responsibilities, and had frequent contacts with various foreign embassy officials, including PRC officials.²⁴⁰

In compiling the paper record of John Huang's activities from July 1994 to January 1996 (his period of service at Commerce), the Committee relied on the following records subpoenaed or voluntarily produced from the following sources:

- long distance telephone records from Huang's office at the Commerce Department;
- international long distance records from a calling card issued to Huang by the Commerce Department;
- handwritten telephone message slips reflecting unsuccessful calls placed to Huang at his Commerce Department office;
- daily appointment calendars kept by his Commerce secretary;
- expense reports reflecting Huang's Commerce-related travel;
- long distance telephone records from Huang's residences in Silver Spring, Maryland, and Glendale, California;
- call detail from his California cellular telephone;
- call detail from Huang's former employer, Lippo Bank of California.

²⁴⁰ A description of the Committee's work on this project and summaries of some of the information about Huang's activities were presented during the Committee's July 17, 1997 hearing.

- Secret Service WAVE and E-Pass records, reflecting Huang's appointments and visits to the White House compound; and
- Records from the Financial Crimes Center (FinCen), which track Huang's entry and exit history to and from the United States during 1994 to 1996.

The Committee staff compiled the data of each of the separate components into computer spreadsheets and, using various software applications, sorted and searched the data to provide "snapshots" of Huang's activities by day, by category of activity, or by keyword. The overall product of these labors and a brief description of the methodology and work behind it is attached as exhibits 29 and 30.²⁴¹

A. Possible Fund-raising at Commerce

The Committee's analysis shows that while at Commerce, Huang was in frequent contact with several DNC finance officials, thus raising the threshold question of whether he was involved in fund-raising on behalf of the DNC. Such fund-raising would constitute a criminal violation of the Hatch Act,²⁴² which prohibits federal government employees from soliciting or receiving political contributions. Huang's message logs and telephone records indicate he spoke often with David Mercer, Mona Pasquil, Marvin Rosen, Ari Swiller, David Wilhelm, and Richard Sullivan, all prominent members of the DNC's finance staff.²⁴³

²⁴¹ These are two versions, one sorted chronologically and one by field of information, that set forth all of the data on Mr. Huang's activities revealed from the paper record. The voluminous back up materials -- hard copies of the message slips, phone records, and the like -- have been retained in the Committee's records.

²⁴² 5 U.S.C. § 7323.

²⁴³ Because local calls successfully placed between the DNC and the Commerce Department would not appear on Commerce telephone records, the Committee likely has an

The Committee was able to piece together sequences of events surrounding four different DNC donors that suggest Huang actively (and successfully) solicited each donor while he was at Commerce. Described below are the four instances.

As a predicate to the four examples, it is important to understand that more broadly, Huang seemed to discuss potential donors and particular fund-raising events with DNC officials when he was with Commerce. The DNC Deputy Finance Director, David Mercer, testified to a standing arrangement between Huang and him, that "if you [Huang] know or if anybody that you know is interested in attending or participating in the [fund-raising] events, have them give me a call. I don't recall, you know, specifically, you know, whether as a foreward (sic) or follow up, people did or not. But in any event, that's the nature of our contact."²⁴⁴ Mercer recalled talking to Huang a total of 10 to 15 times at Commerce.²⁴⁵

Huang became involved while at Commerce in organizing a DNC fund-raising apparatus, the Asian-Pacific American Leadership Council (APALC) , and apparently in soliciting contributions through its auspices.²⁴⁶ It is unclear who at the DNC recommended the creation of such a council, which according to DNC staffer Mona Pasquil, was intended to track how much

incomplete picture of how many calls there were. Message slips and long distance calls alone, however, reveal scores of calls between Huang and DNC officials. See Exs. 29 and 30.

²⁴⁴ Deposition of David Mercer, May 14, 1997, p. 88.

²⁴⁵ *Id.* at p. 87. Mercer left Huang 17 phone messages at Commerce. See Exhibits 29 and 30.

²⁴⁶ The contributions discussed below from the Wiradinatas were raised in connection with the APALC kick-off dinner on November 2, 1995.

money Asian-Americans were contributing to the DNC.²⁴⁷ The kick-off event for APALC was a November 2, 1995 fund-raising dinner with Vice President Gore as the featured guest. Pasquil was tasked with organizing the dinner. Pasquil was not in the DNC's financial division and had not organized a fund-raiser previously. Accordingly, the DNC tasked a fund-raiser, Sam Newman, to help her.²⁴⁸ Newman explained that in early October 1995, Richard Sullivan asked Newman to "help [Pasquil] set up the venue, help her produce any sort of materials she needed, work with her to track the contributions and to strategize about who to contact and, you know, anything she needed."²⁴⁹ Because Newman is not Asian-American, the actual fund-raising calls were left to Pasquil to make or to arrange through others in the Asian-American community she knew.²⁵⁰

Pasquil encountered trouble raising money for the event, and as a result, David Mercer stepped in to assist. So, too, did Huang. Pasquil had lunch with Huang and Newman before the November 2 APALC event. According to Newman, they discussed particulars about the upcoming dinner, including the location, price, and donors. Huang "seemed interested" in the APALC dinner.²⁵¹ Pasquil acknowledged that as of her lunch with Huang, she was "scared" that despite her hard work, the dinner "might flop" because few donors had expressed interest.²⁵²

²⁴⁷ Deposition of Mona Pasquil, July 30, 1997, p. 17.

²⁴⁸ *Id.* at p. 20.

²⁴⁹ Deposition of Sam Newman, July 17, 1997, p. 13.

²⁵⁰ *Id.* at p. 24-25; Pasquil deposition, pp. 23-24.

²⁵¹ Newman deposition, p. 33.

²⁵² Pasquil deposition, p. 86.

When she expressed her concerns to Huang, he mentioned that he “might be leaving Commerce and to come work at the DNC and that he could be helpful once he came over to the DNC.”²⁵³ As discussed further below, Huang made himself “helpful” before leaving Commerce by raising money for the event.

Huang also met with Mercer directly before and immediately after the APALC dinner. Mercer provided evasive testimony regarding the substance of the pre-event meeting, explaining that he simply “ran into [Huang] at the Willard Hotel” and did no more than exchange pleasantries.²⁵⁴ The Committee is left to wonder whether Huang might have discussed particulars about fund-raising with Mercer. Mercer’s actions after the meeting suggest that whatever was discussed, the meeting was more than a chance encounter. He submitted a Willard Hotel parking receipt, dated October 27, 1995, to the DNC for reimbursement, providing as justification for the expense a “John Huang meeting.”²⁵⁵

Immediately after the November 2 dinner, Huang had dinner with Mercer, Charlie Trie, and a fourth, unidentified person. What was discussed at dinner presaged the foreign money questions that would arise the next year:

To be honest, it was more in Chinese or Mandarin, or whatever, to the point that I was focused on eating and don’t know really what subject matters were discussed. And again, it was just a -- for me at least, it was a break after a long evening, and just sharing in the breaking of bread with John and Charlie. . . . [M]ost of the conversation that night was in Chinese.²⁵⁶

²⁵³ *Id.* at p. 45.

²⁵⁴ Mercer deposition, May 14, 1997, p. 115-16.

²⁵⁵ *Id.* at p. 117-20.

²⁵⁶ *Id.* at pp. 47-48.

Perhaps Mercer, who does not speak Chinese, should have wondered at that point about the possibility of foreign contributions coming to the DNC, but he apparently did not.

1. Mi Ryu Ahn (Pan Metal)

Phone records and other documents suggest that John Huang solicited a large DNC contribution from Pan Metal, Inc. Exhibit 31 summarizes contacts between Huang and the Pan Metal's president, Mi Ryu Ahn. Huang's message logs and telephone records indicate the following sequence of calls between Huang and Mi Ryu Ahn as follows: On May 26, 1995, there were 4 calls between Huang and Mi Ahn and, on June 5, 1995, another message from Mi Ahn, which Huang later returned. Four days later, on June 9, 1995, a message left for Huang at the Commerce Department from Mercer reads: "Have talked to Mi. Thank you very much." Six days later, a \$10,000 contribution from Pan Metal was received by the DNC, for which "Jane Huang" is listed as the solicitor.

What seems so apparent from the paper record -- Huang illegally raised \$10,000 for the DNC from Mi Ahn and then the DNC made a transparent attempt to disguise this by crediting the donation to "Jane Huang" instead of John Huang as the solicitor -- was corroborated by David Mercer and Mi Ryn Ahn. Mercer, told the Committee that Huang referred Mi Ahn to Mercer for a contribution to the DNC.²⁵⁷ Mercer, however, would not state "for a fact" whether Huang or his wife solicited the Mi Ahn contribution, nor would he rule either of them out.²⁵⁸ In an interview with the Committee, Mi Ahn said that she could not recall ever speaking to Jane

²⁵⁷ Mercer deposition, May 14, 1997, pp. 210-213.

²⁵⁸ Mercer deposition, May 27, 1997, p. 9.

Huang.²⁵⁹ Ahu did recall that John Huang asked her to get involved with the DNC and to continue to be supportive.²⁶⁰

2. Kenneth Wynn, President of LippoLand Ltd.

Exhibit 32 summarizes several contacts between Huang and Kenneth Wynn, President of a Lippo subsidiary, LippoLand. During the month of August, 1994, records indicate 31 calls between John Huang and the Lippo office where Wynn worked. On August 18, 1994, Wynn and his wife contributed a total of \$15,000 to the DNC.²⁶¹ “Jane Huang” was listed as the solicitor of these contributions. Mercer admitted to filling out the check tracking form that credited John Huang as the solicitor, but he professed not to know that Huang was a Commerce employee when the donation was made.²⁶²

Similarly, between October, 1995 and November 1995, there were 23 calls between Huang and the Lippo office where Wynn worked.²⁶³ On October 12, 1995, Kenneth Wynn

²⁵⁹ Memorandum of interview of Mi Ryu Ahn, July 1, 1997, pp. 2-3.

²⁶⁰ *Id.* at p. 5. A *Los Angeles Times* story cited Mi Ahn as saying that Huang made this request as well as other similar ones, in the spring and summer of 1995. Glenn Bunting and Alan Miller, “Huang Helped Raise Money While at Agency,” *Los Angeles Times*, May 25, 1997, p. A1. Mi Ahn affirmed that Huang made such a request in her interview with Committee staff, but placed it after her June 1995 contribution. Ahn interview, p. 5.

²⁶¹ Exhibit 32 understates the total contribution(s) by \$5,000. DNC records reveal three checks written by the Wynns on August 18, 1994, for a total of \$15,000. See checks from Kenneth R. and A. Sibwarini Wynn to the DNC, August 18, 1994, with DNC check tracking form. (Ex. 33).

²⁶² Mercer deposition, May 27, 1997, pp. 10-11, 14.

²⁶³ The Committee cannot determine from phone records how many of those calls were made to Wynn. Because the Wynns refused to meet with Committee investigators, the Committee was unable to confirm a number independently.

contributed another \$12,000 to the DNC, for which “Jane Huang” was also listed as the solicitor.²⁶⁴ Mercer confirmed that he also filled out the DNC check tracking form for the November 1995 contribution, and credited Jane Huang with the solicitation. Mercer could not recall why he listed her so.²⁶⁵ Mercer observed that it was possible that John Huang delivered the check to him.²⁶⁶ As with the Mi Ahn solicitation, it is apparent to the Committee that Jane was substituted for John in an effort to conceal John’s illegal role in soliciting the contribution.

3. Arief and Soraya Wiriadinata

Exhibit 35 depicts a series of events between Huang and the Wiriadinatas. On June 19, 1995, after Soraya’s father, Hashim Ning, a wealthy business partner of the Riady family, had a heart attack, Huang helped to arrange a “get well” note from President Clinton, which was hand delivered by Mark Middleton. Between June and August 1995, Huang visited Ning twice in the hospital and encouraged the Wiriadinatas to donate money to the DNC. On November 5 and November 7, 1995, Ning wired a total of \$500,000 from Indonesia to the Wiriadinatas’ account in the U.S. The following day, November 8, 1995, Huang helped arrange for another get well note for Ning from President Clinton. The day after that, November 9, 1995, the Wiriadinatas contributed \$30,000 to the DNC. In 1995 and 1996, the Wiriadinatas contributed a total of \$450,000 to the DNC, all of which has been returned.

²⁶⁴ Check from Kenneth R. And A. Sihwarini Wynn to DNC, Oct. 12, 1995, with DNC check tracking form. (Ex. 34).

²⁶⁵ Mercer deposition, May 27, 1997, p. 17.

²⁶⁶ *Id.*

The Wiriadinatas, who returned to Indonesia in December 1995, corroborated the paper record during their interview with Committee staff on June 24, 1997, in Jakarta, Indonesia. In the interview, Arief Wiriadinata made clear that John Huang directed all of their political contributions. Arief acknowledged that Huang's solicitations began in 1995, when Huang was still a Commerce official.²⁶⁷ In return for contributions, Huang promised to introduce Arief to prominent American businessmen, especially Asian-Americans.²⁶⁸ In fact, Huang once arranged a meeting between Arief and the Chancellor of the University of California at Berkeley regarding Arief's fledgling computer business.²⁶⁹

Arief recounted that Huang solicited the November 9, 1995 contributions in connection with a Washington, D.C. fundraising event. That event was the November 2 APALC dinner Huang had helped plan with DNC officials. Moreover, on November 20, 1995, both Arief and Soraya contributed \$1,000 to the congressional campaign of Jesse Jackson, Jr., again at the specific direction of Huang.²⁷⁰ As for Jane Huang, the solicitor credited on DNC check tracking forms for their November 1995 contributions, both Wiriadinatas denied ever meeting or speaking to her.²⁷¹

²⁶⁷ Memorandum of Interview of Arief and Soraya Winiadinata, July 13, 1997, p. 3.

²⁶⁸ *Id.*

²⁶⁹ *Id.*

²⁷⁰ *Id.*

²⁷¹ *Id.*

Mercer prepared the DNC check tracking for the Wiriadinatas' November 1995 contributions that listed Jane Huang as the solicitor.²⁷² When asked why, Mercer provided the following tortured response:

Q: How did you know to credit this to Jane Huang as solicitor?

A: Through an understanding prior of the Wiriadinatas having association with the Huangs.

Q: How did that understanding come about?

A: I don't recall.

Q: But you understood that the Wiriadinatas and the Huangs were associated. How did you understand that they were associated?

A: I don't recall.

Q: Why didn't you put John Huang down as solicitor?

A: I don't recall why I -- you know, I don't recall. I didn't you know -
- I don't . . . I don't recall. Jane could have -- I could have been
told that Jane was the one that brought these checks in. I don't
know.²⁷³

In a fitting coda to the Wiriadinata contributions solicited illegally by Huang, Arief appears in the videotape of a December 15, 1995 White House coffee being greeted by President Clinton. On the tape, Mr. Wiriadinata tells President Clinton, "James Riady sent me." The President responds "Yes. . . I'm glad to see you. Thank you for being here." Portions of the tapes were presented at the Committee's hearing on October 7, 1997.

4. Pauline Kanchanalak and the U.S.-Thai Business Council

²⁷² Mercer deposition, May 27, 1997, pp. 32-33.

²⁷³ *Id.* at pp. 33-34.

Contacts suggesting that Huang solicited Pauline Kanchanalak, then head of the U.S. Thai Business Council, are detailed in exhibit 37. Huang's Commerce message logs indicate that Kanchanalak left five messages for Huang between September 7, 1994 and October 21, 1994. On September 30, 1994, Huang wrote a memo to David Rothkopf, Deputy Undersecretary for International Economic Policy, urging that President Clinton host the U.S. Thai Business Council inaugural at the White House.²⁷⁴ Seven days later, on October 6, 1994, the U.S. Thai Business Council inaugural was held at the White House, attended by President Clinton and Thai Prime Minister. Later that month, Huang attended a U.S. Thai Business Council meeting. Two days following that meeting, Kanchanalak contributed \$32,500 to the DNC.

Between November 1994 and December 1995, 17 messages were left for Huang at the Department from Kanchanalak or her office. Because calls between the two were local, the messages likely reflect only a portion of the total calls placed between them. In the 1995-1996 election cycle, Kanchanalak, who is now in Thailand, and her business partners contributed \$253,500 to the DNC, all of which has been returned.

B. Huang's White House Visits

²⁷⁴ Memorandum from John Huang to David Rothkopf, September 30, 1994 (Ex. 36). Huang's memo reads in part, "My personal observation is that President Clinton will be very upset if he finds out what's going on behind the scene. It could really damage his personal relationship between him and [Thai] Prime Minister Chuan; and the relationship between U.S. and Thailand." In his Committee deposition, Rothkopf testified to being bemused and puzzled by the memo: Huang had no policy responsibility for Thailand; Rothkopf thought it odd that Huang would send him such a document; and Rothkopf considered strange for Huang to speak for how President Clinton might view the matter. Rothkopf deposition, pp. 42-47. Nevertheless, over Rothkopf and Garten's objections, the U.S. Thai Business Council held its inaugural ceremony at the White House, with President Clinton and the Thai Prime Minister in attendance.

One of the still unexplained aspects of Huang's tenure at Commerce is the frequent access he enjoyed to the White House. His access was unknown to his co-workers at the Commerce, including his secretary and supervisors. White House "WAVES" and E-Pass records, which reflect appointments and entries into the White House, show Huang went there at least 67 times while he was at Commerce.²⁷⁵ The Committee was unable to determine what happened during most of those meetings. The officials Huang was scheduled to visit were varied, including political affairs officials, National Security Council employees, highly placed aides to President Clinton and Vice-President Gore, and on at least one occasion, President Clinton himself. Moreover, Huang's meetings were scheduled for many different locations in the Old Executive Office Building, the West Wing, and, at least once, the Oval Office.

One such meeting was the intimate September 13, 1995 conversation, described more fully elsewhere, in the Oval Office among Huang, President Clinton, James Riady, Joseph Giroir, and Bruce Lindsey. At the meeting, Huang or Riady requested of the President a "transfer" for Huang from Commerce to the DNC, and President Clinton obliged the request.

²⁷⁵ The Secret Service has explained to the Committee that "WAVES" and E-Pass records are two parallel and separate systems for tracking entry and exit from the White House complex. A visitor to the White House might appear in either or both (or occasionally neither) system, depending on the particulars of the visit. In tallying Huang's visits, the Committee took this into account, and counted only once multiple E-Pass and WAVES entries that might reflect a single visit. Nor did the Committee count any visits unless there was confirmation that Mr. Huang in fact entered into the White House complex. The WAVES and E-Pass records have been retained in the Committee's files.

Nevertheless, when information was presented about Huang's White House visits at the Committee's July 17, 1997 hearing, the White House complained bitterly that the number of Huang's visits had been overstated. In fact, quite the opposite is true. The Committee staff used a conservative methodology to ensure that any miscalculation would err on the side of understatement.

The truth is, no one will ever know who Huang saw at the White House or what matters he might have discussed there. However, the September 13, 1995 meeting should suffice to make the point that Huang had incredible access at the White House, especially for a midlevel political appointee at Commerce with no policy portfolio. Huang's WAVES entry that day nowhere discloses that he sat in the Oval Office with President Clinton, had a lengthy chat, and succeeded in securing a new job at the DNC. Instead, the record simply recounts that Huang had a 5:15 pm appointment that day in the West Wing. The "visitee" is listed as Nancy Hernreich; the requestor is Rebecca Cameron, Hernreich's assistant. No one at Commerce had the slightest idea that Huang had this sort of access.

C. Huang's Contacts with Lippo Employees, Offices and Consultants

Telephone records reviewed by the Committee show nearly constant contact between Huang and Lippo officials, as well as with several individuals who had close ties to Lippo and the Riady family. Call detail records disclose approximately 232 calls between Huang and his former employer, Lippo Bank, during the 18 months he worked at Commerce, and at least 29 calls or faxes between Huang and Lippo's headquarters in Indonesia. While the sheer volume of calls raises many concerns, the situation invites further scrutiny given Lippo's generous severance package just weeks before his arrival at Commerce, Huang's access to classified and proprietary business information, and the fact that the Riadys and Huang were major donors and fund-raisers for the Democratic party.

Among those associated with Lippo with whom Huang had frequent contact was a Lippo consultant, Maeley Tom. Records reveal 61 calls that Huang placed during his Commerce employment period to Tom. Tom wrote on Huang's behalf in 1993 to support his appointment.²⁷⁶

Huang's telephone records also show 72 calls to Arkansas lawyer and Lippo joint venturer C. Joseph Giroir. Giroir, a former Rose Law firm partner and board member of the Worthen Bank, was present at the small Oval Office meeting held on September 13, 1995 attended by President Clinton, Huang, and James Riady and at which the decision was made to move Huang from Commerce to the DNC. According to former DNC Finance Director Richard Sullivan, Giroir lobbied vigorously for Huang's position at the DNC, particularly at a meeting between DNC Chairman Don Fowler and Mr. Riady just prior to the White House meeting with the President.²⁷⁷

Records also demonstrate Huang was often in contact with other Lippo business associates.²⁷⁸ Huang had at least 21 calls and one meeting with Mark Middleton, a former White House aide who later became a Lippo business agent, 14 calls and 4 meetings with Mark Grobmyer, a Lippo attorney, and 10 calls and one meeting with Webster Hubbell, a former DOJ official hired by Lippo.

D. Huang's Embassy Contacts

²⁷⁶ See Ex. 4.

²⁷⁷ Testimony of Richard Sullivan, June 4, 1997, p. 219.

²⁷⁸ In addition, Huang's telephone records show 4 calls placed by Huang to David Chan, President of the Hong Kong Chinese Bank, an interest jointly owned by Lippo and China Resources.

Because calls to embassies or representative offices in Washington are local, documents available to the Committee regarding Huang's contact with embassies are incomplete since there are no records that would reflect calls successfully placed between Huang and such offices. Huang's message slips and appointment calendars are the primary source of information about his contacts with these offices. The documents reveal that Huang received 35 calls from officials of the PRC, Korean, Singapore embassies, that he visited the PRC embassy six times, and that he met on three other occasions with PRC embassy officials. Other records show that Huang visited other embassies at least 15 times, and had 8 meetings with and 4 calls from representatives of Taiwan's unofficial embassy, the Taiwan Economic and Cultural Representative Office.

When questioned about such contacts by Huang, Jeffrey Garten was "taken aback" to learn that Huang ever dealt with anyone from the PRC embassy, the White House, or Congress on anything.²⁷⁹ "There was nothing about him; there was nothing he ever said; there was nothing that he ever did that I saw or anyone told me that would have evidenced activity in the White House, on the Hill or in the Embassy of China."²⁸⁰

VII. Conclusion

Huang's stopover at Commerce lasted only eighteen months. Looking at Huang's career to date, one might expect that this period offered Huang a respite from political fund-raising and a unique opportunity to shape U.S. international trade policy from the inside. While, due to Huang's refusal to testify, it is unclear why he sought the Commerce position, it was a sharp diversion from both his prior years as an executive at a small Los Angeles bank and his

²⁷⁹ Garten deposition, May 16, 1997, p. 42.

²⁸⁰ *Id.*

subsequent stint at the DNC. The two constants in Huang's career at Lippo and forward were his relationships with the Riadys and the Democratic party.

By all accounts, Huang and the International Trade Administration were not a good match. Huang's tenure as a political appointee at Commerce makes clear that he held a job he was ill-prepared to handle and received it at least in part because of his demonstrated fund-raising prowess. Huang was shut out of substantive policy work and was specifically prohibited from working in the area where he held the most interest -- China. As a result, there is little among the several hundred thousand pages of documents produced by the Commerce Department to the Committee that evidence Huang's mark on policy matters. Likewise, Huang's colleagues in the ITA could point to almost no policy matters on which Huang worked. As one of them testified, Huang was "as uninvolved a player" as he had seen in his ten years at the Department.²⁸¹ Indeed, the clearest record of Huang's activity at Commerce might well relate to his fund-raising. Information developed by the Committee strongly suggests that Huang raised money for the DNC at Commerce in violation of the Hatch Act.

Huang's job at Commerce included largely administrative duties. But the ITA had an administrative office separate and in addition to the departmental office of administration. And the head of the ITA administrative office graded Huang's handling of administrative matters a "low C."

What did Huang do at the Commerce Department? One answer might provide a clue as to why Huang sought and took the position. Huang saw a great deal of classified, business proprietary, and other valuable material. From regular intelligence briefings, to daily classified

²⁸¹ Neuschatz deposition, p. 17.

cables, to ITA reports containing proprietary material on any number of businesses, Huang had access to very sensitive information. Although the Committee found no direct evidence that Huang passed any such information to his former employers or anyone else, he clearly had the opportunity to do so. Huang made frequent use of a spare office at Stephens D.C., which was located across the street from Commerce headquarters. There, Huang had free and unmonitored access to a telephone, copier, and fax machine. He also received mail and packages there, but precisely what is not known.

At bottom, Huang's stint at Commerce is difficult to understand. The Committee attempted meticulously to reconstruct what Huang did there in the hopes of determining why he sought the position and what he hoped to accomplish in accepting it. Ultimately, and only after attempting to retain his top secret security clearance, Huang quietly left Commerce for a position more suited to his qualifications, at the DNC.